

AGRICULTURAL OUTLOOK

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Focus on Exports

AGRICULTURAL OUTLOOK

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In Brief. . .

News of Inputs, Cotton Trade, Top Export Customers

The opening of world markets created great opportunities for U.S. farmers in the 1970's—but it also created risks. The volume and value of U.S. agricultural exports have dropped sharply since their peaks in the early 1980's. Export volume in fiscal 1984/85 is expected to be almost 20 million tons (12 percent) below the 162 million shipped in 1980/81. Lower prices have caused an even steeper fall in the value of farm exports—1984/85 is expected to be down more than \$9 billion from the 1980/81 peak of \$43.8 billion.

Some commodities have been more affected by the export reversal than others. For example, wheat was one of the major beneficiaries of the export expansion. Exports took the output of almost 64 percent of harvested wheat area in 1981/82, with a farm value of almost \$6.5 billion. Thus, when exports plummeted, wheat was one of the crops hurt most. In 1984/85, wheat exports are expected to be almost 20 percent below their peak and the farm value of export sales are likely to be down \$1.6 billion.

Dramatic increases in area and yields have given rise to a record global cotton harvest of 84.2 million bales, 25 percent above the preceding season's problem-plagued outturn. World production rose 16.5 million bales in 1984/85, including a 6.6-million increase in China and a 5.3-million gain in the United States. Many other major producers have also posted notable gains. For instance, Pakistan has more than doubled output, even though area has expanded only slightly.

In the domestic economy, prices throughout the beef complex weakened in February and March because total meat supplies remained large and cattle slaughter weights increased. Weights averaged 643 pounds in



February, up 6 pounds from January and 11 from a year earlier. Hog producers are following their December intentions to have fewer sows farrow in first-half 1985 than a year earlier. If they continue cutting farrowings, pork production will be down from a year earlier through at least first-quarter 1986, except for a possible slight increase in third-quarter 1985.

The April citrus crop forecast is 10.3 million tons, 4 percent below the 1983/84 crop. Reduced harvests are forecast for oranges, Temples, and tangelos.

Florida's mid-January freeze drove up grower and retail prices of fresh market vegetables. Prices received by farmers moved up 7 percent in February to 137 (1977=100), and retail prices (Consumer Price Index) also rose 7 percent, to 346 (1967=100).

For 1985, the CPI for all food is forecast to move 2 to 4 percent above 1984. Marketing costs are also likely to rise moderately, causing most of the retail food price increases. Food price rises have been moderate for the past 3 years: 4 percent in 1982, 2.1 in 1983, and 3.8 in 1984.

The export market has added strength to fertilizer prices this year and allowed U.S. fertilizer producers to maintain higher levels of production. In the first 7 months of 1984/85, anhydrous ammonia output increased about 16 percent, wet-process phosphoric acid 11 percent, and potash 7 percent.

Domestic purchases of most major farm machines during January-February 1985 were below both annual purchase patterns since 1973 and depressed year-earlier sales. The drop has occurred despite slightly lower real interest rates, reduced machine prices, and more attractive sales incentives.

Farm-level herbicide prices this spring are down 4.5 percent from a year earlier, following a decline of 7.1 percent from 1983 and 1984.

In fiscal 1984, nearly 60 percent of the value of all U.S. agricultural exports went to 10 countries. The 10 account for about 80 percent of the export value of U.S. feed grains and over 60 percent of U.S. wheat. Most of the top 10 countries in 1984 were also among the 10 largest 5 years ago, but some shifts have occurred in countries' relative positions on the list.



Agricultural Economy

Exports of agricultural products have become critical to many sectors of the U.S. economy—farming, input suppliers, transportation, and others. Domestic markets are not growing fast enough to absorb farm output, leaving agriculture and many related industries increasingly reliant on the export market for growth. The opening of world markets created great opportunities for U.S. farmers in the 1970's—but it also created risk and uncertainty.

Exports Peak, Then Abruptly Decline

The volume and value of U.S. agricultural exports have dropped sharply since their peaks in the early 1980's. Export volume in fiscal 1984/85 is expected to be almost 20 million tons (12 percent) below the 162 million shipped in 1980/81. Lower prices have caused an even sharper drop in the value of farm exports—1984/85 is expected to be down more than \$9 billion from the 1980/81 peak of \$43.8 billion.

There are numerous reasons for the decline: a world recession, debt problems of several large importers, increased production by some major importers and competing exporters, export subsidies by competing countries, import barriers by other countries, the strength of the U.S. dollar, and high U.S. price-support policies.

Declining exports have resulted in a drop in the amount of land needed to meet export demand and reduced exports' contribution to farm income. In 1982/83, approximately 31 percent of total harvested acres* were needed to produce U.S. agricultural exports—8 percentage points below the area required for exports only 2 years before.

However, total acres harvested in 1982/83 were 11 million above 1980/81. Since domestic use did not expand enough to make up for the smaller exports, the larger supplies ended up as burdensome stocks. This was one of the main reasons for the large acreage reduction program in 1983/84. The acreage reduction program, and a drought that summer, reduced harvested area by almost 60 million acres. The drought also cut yields of most crops. Thus, although exports continued to decline in 1983/84, the percentage of land needed for exports rebounded to the 1980/81 peak. However, this resurgence in the percentage of production going for exports was only temporary.

Harvested acres and yields (except wheat) rose sharply in 1984. The resulting large supplies, combined with expectations that export volume will continue to decline, mean that the percentage of harvested areas needed for exports will likely drop sharply again. A similar pattern has occurred with respect to exports' contribution to gross farm income (cash).

The reduction in exports has had a pronounced effect on U.S. agriculture. During the years when exports were expanding, farmers made substantial long-term investments in land, machinery, and improvements. Since many farmers are still paying for these investments, they are very reluctant to cut production to match the reduced demand.

For example, even with various Government programs designed to reduce wheat plantings, 1984/85 wheat production was only 7 percent below 1981/82. This compares with an almost 20-percent drop in wheat exports. Season average prices for wheat in 1984/85 will be 25 to 35 cents a bushel less than in 1981/82.

*Area harvested in principal crops, plus area in vegetables, fruits, tree nuts, and farm gardens.

Exports Spurred Expansion

Export expansion fueled the growth in U.S. agriculture during the 1970's and early 1980's. Between 1945 and 1971, U.S. exports increased from \$2.3 billion to \$7.7 billion, an annual compound rate of 4.8 percent. During the same period, U.S. agricultural output rose about 1.8 percent per year. During the decade following 1971, exports increased at an annual rate of 18.9 percent, and U.S. farm output rose more than 2.3 percent a year.

The faster growth in output caused some substantial changes in U.S. agriculture. Productivity increases allowed for a 50-percent expansion in output between 1945 and 1971 on almost 50 million fewer acres of land. However, with the sharp growth of exports between 1971 and 1980, some of this idled land was again needed. In 1971, only 62 million acres (20 percent of total harvested area) were needed to meet export demand. By 1980, the figure had grown to 137 million acres, or 39 percent of the total harvested area (area for exports includes land producing seeds for crops and feed for livestock that are exported). On the other hand, area needed for products for U.S. consumption in 1980 was 28 million below what was needed in 1971.

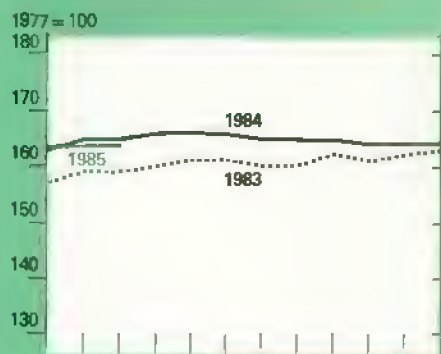
Growth Spread to Other Sectors

Increased exports were one of the prime reasons gross farm income grew more than 160 percent between 1971 and 1981. The increase in farm income helped finance expansion in other sectors. The index of farm machinery use rose 18 percent during the decade following 1971, and farm chemical use rose 49 percent. Fertilizer use increased 30 percent. This rise in demand for inputs helped farm communities and other sectors of the U.S. economy.

The volume of agricultural exports rose from 60 million tons in 1971 to over 162 million in 1980/81. This meant increased demand for storage, handling, and transportation facilities and services throughout the lengthy marketing channel connecting U.S. farms and foreign consumers. For example, barge loadings of grains and soybeans in 1980, at 1.94 billion bushels, were almost triple the 1970 level.

Prime Indicators of the Agricultural Economy

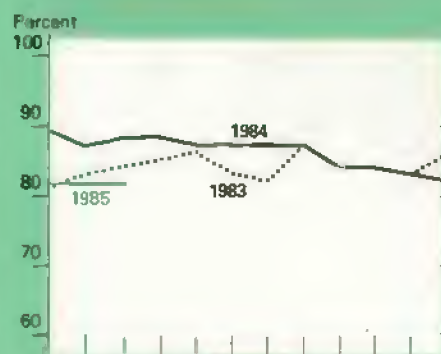
Prices paid by farmers¹



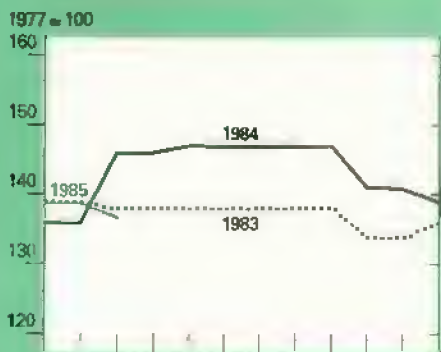
Prices received by farmers²



Ratio of prices received to prices paid



Fertilizer prices³



All crops⁴



Livestock and products⁴



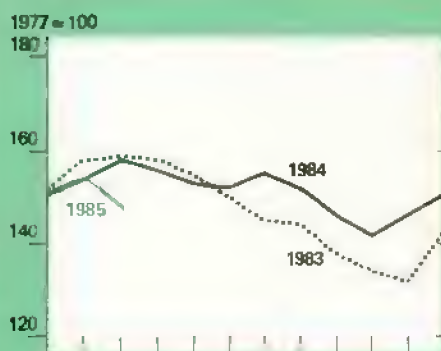
Agricultural chemicals³



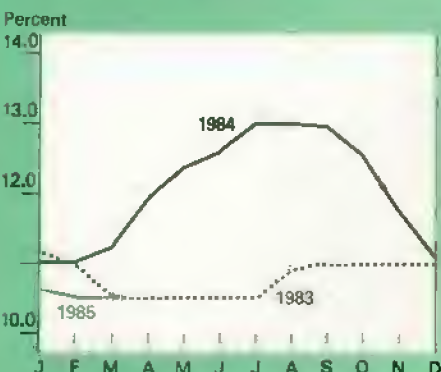
Food grains⁴



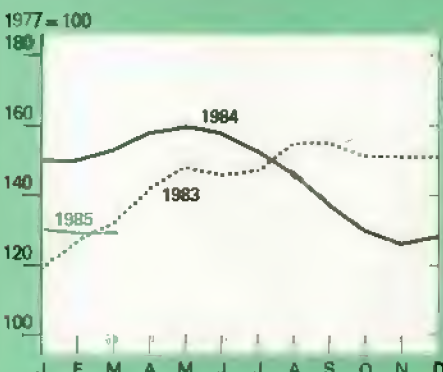
Meat animals⁴



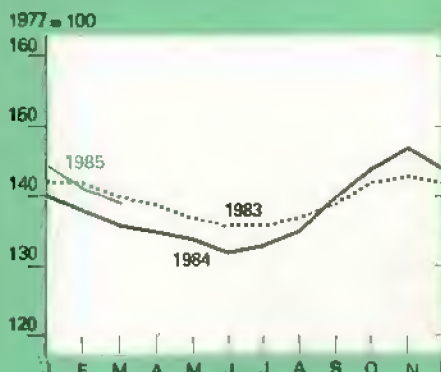
Interest rates—prime rate



Feed grains and hay⁴



Dairy products⁴



¹For commodities and services, interest, taxes, and wages

²For all farm products.

³Index of prices paid; 1977 = 100.

⁴Index of prices received; 1977 = 100.

Some Commodities Hurt Worse Than Others

Some commodities have been greatly affected by the declines in exports in recent years. Wheat was one of the major beneficiaries of the expansion in exports in the 1970's and early 1980's. In 1971, wheat exports equaled 39 percent of production, or the output of 18.6 million acres. Ten years later, wheat exports had almost tripled and almost 64 percent of the harvested area (51.3 million acres) was needed for exports. In 1981/82, the farm value of wheat exports was almost \$6.5 billion, more than triple the value of total production 10 years earlier.

Thus, when exports plummeted, wheat was one of the crops hurt most. In the 1984/85 crop year, exports are expected to be almost 20 percent below their peak and the farm value of export sales down \$1.6 billion.

Corn exports in 1980/81 tripled the level in 1971/72, and their farm value was up \$6.5 billion from 9 years before. Exports were equivalent to 37 percent of production, compared with 14 percent in 1971/72. In 1984/85, however, exports are expected to be 20 percent below their peak, taking only 25 percent of production and having a farm value \$2.1 billion below 1980/81.

Soybeans are less dependent on exports than wheat is, but more dependent than corn. Soybean exports doubled between 1971/72 and 1982/83, and the percentage of total acres needed went from 35 to 47. However, reduced world demand and increased competition from other exporters have dropped exports 30 percent since 1981/82. This, combined with lower prices, will result in a farm value loss of \$1.5 billion. [Gerald Rector (202) 447-8912]

LIVESTOCK HIGHLIGHTS

• Cattle

The 7-State *Cattle on Feed* report for March 1 indicated that fed cattle marketings during February were 5 percent below a year earlier. In February 1984, fed marketings in the 7 States were the largest since 1979. The number of cattle placed on feed in the 7 States during February 1985 was up 3 percent from a year earlier, thus leaving the number of cattle on feed on March 1 at 7.9 million head, up 5 percent from a year earlier.

Prices throughout the beef complex weakened in February and March because total meat supplies remained large and cattle slaughter weights increased. Slaughter weights rose because the pace of fed marketings slowed. Weights averaged 643 pounds in February, up 6 pounds from January and 11 from a year earlier. February commercial beef production, at 1.8 billion pounds, was down 5 percent from a year earlier, partly because there was 1 less slaughter day in February this year.

Production for the first quarter will be about even with first-quarter 1984, even with 1 less slaughter day. During the second quarter, output should begin to fall and may total about 5 percent below a year earlier. Annual production may be down 3 percent.

Federally inspected cow slaughter through March was down 8 percent from a year earlier. However, the number of beef cows sent to slaughter was up 11 percent from the seasonally lower level of last year. Prospects for ample forage supplies in most regions and a stronger price outlook point to a sharp drop in beef cow slaughter.

Beef imports during 1984 were 1.8 billion pounds, down from 1.9 billion in 1983. For 1985, beef imports will be about the same as in 1984. Veal imports during 1984 were 25 million pounds (carcass weight), up from 19 million in 1983.

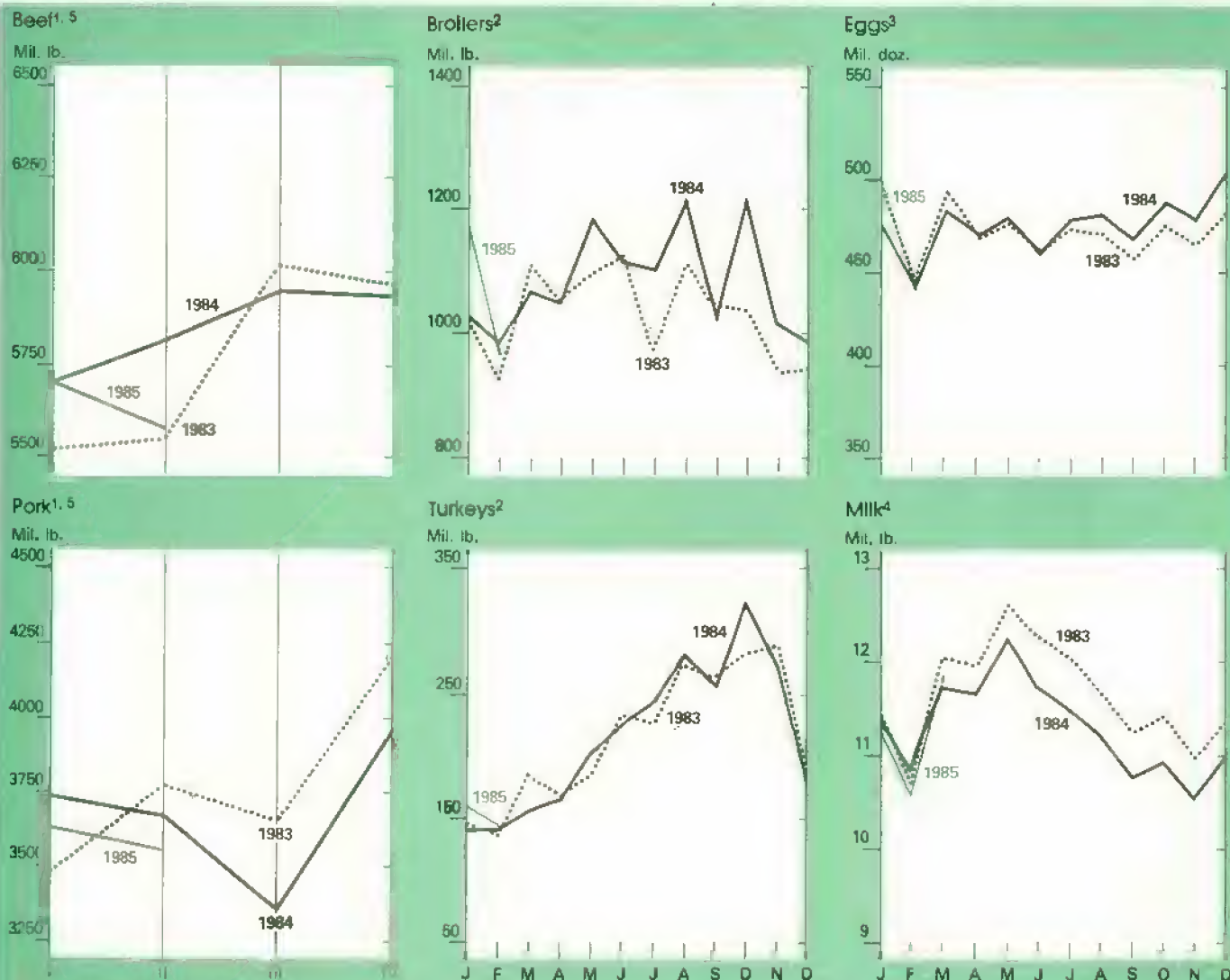
Imported beef represents about 7 to 8 percent of U.S. commercial supplies. Most of the beef is regulated under the 1979 Meat Import Act. Beef imports into the United States are mainly cooked products or fresh or frozen grass-fed lean beef used in hamburger and processed meats. Cooked products are about 15 percent of beef imports and are not subject to the 1979 act.

The level of imports subject to the act is derived from formulas in the act and may vary with domestic production of meats covered by the act and with the U.S. cow beef supply. Thus, the meat import trigger level rose to 1.319 billion pounds (product weight) for 1985 because total production, especially from cows, is expected to decline sharply. However, major exporting countries have also liquidated herds and the current import estimate for 1985 is well below the trigger level.

Beef exports are equal to about 1 percent of beef production and consist almost entirely of fresh, chilled, or frozen beef. Most of this beef is grain-fed high-quality cuts for the hotel and restaurant trade. Japan imported 244 million pounds of U.S. beef in 1984, or 74 percent of U.S. beef exports. This amount compares to 1983's 188 million pounds, which was 69 percent of U.S. exported beef. For 1985, beef exports may be up about 10 percent, with a large share of the increase going to Japan. Japan increased its beef import quotas in 1984, including that part for high quality beef, allowing for increased beef exports to that country over the next several years.

Declining throughout the first quarter, Omaha Choice steer prices averaged \$62.24 per cwt for the quarter, down about \$5 from a year ago. As the large first-quarter supplies are sold and fed and nonfed slaughter declines, prices should strengthen to the middle to upper \$60's during the second quarter. Some seasonal price decline is likely during the second half, and fed steer prices may average \$64 to \$69 for the year.

Although feeder cattle prices weakened along with Choice steer prices, the decline was moderated by expectations of higher prices beginning this spring. Yearling steers at Kansas City averaged \$68.18 for the quarter, compared with \$66.31 a year earlier. Stocker cattle demand will pick up as the grazing season gets underway, and demand by cattle feeders will remain strong. Therefore, increased demand and shorter feeder cattle supplies should result in stronger prices. Prices may average in the low \$70's during spring, drop somewhat seasonally during the third and fourth quarters, and



¹Commercial production. ²Federally inspected slaughter, certified. ³Farm production. ⁴Total production. ⁵Forecast for latest quarter.

average in the upper \$60's for the year. Yearling steer prices have stayed at a premium to Choice fed steer prices and will likely continue to do so throughout 1985.

Retail beef prices should strengthen this spring as production decreases. Prices may average in the low \$2.40's during the second quarter and also for the year.

Retail beef prices averaged \$2.39 per pound in February, down slightly from \$2.40 in January. Prices averaged about \$2.39 for the quarter. This compares with \$2.43 during the first quarter of last year.

The farm-retail price spread averaged about \$1.01 during the first quarter, up from last year's 97 cents. At the same time, the byproduct credit fell to 16 cents per pound, compared with 18 cents a year ago. This decrease resulted from sharp drops in hide prices as export demand fell. Hide value comprises a large share of the byproduct credit to packers. [John Naliuka (202) 447-8636]

• Hogs

Imports of live hogs and pork products increased markedly from 1981 to 1984. During the same period, exports of pork products declined sharply. The strength of the U.S. dollar contributed to the widening trade balance and thus, lower hog prices. Imports increased largely because of a stronger

dollar. During January-February 1985, live hogs imported from Canada totaled 326,624 head, up 81 percent from a year ago. During the same period, pork product imports totaled 186 million pounds, up 41 percent. Most of the increased imports were from Denmark and Canada.

The Department of Commerce made a preliminary determination on March 28 that Canada had been subsidizing its pork industry. The net subsidy was preliminarily determined to be 5.3 Canadian cents per pound. On April 3, a bonding requirement was placed in effect for imported Canadian pork

products and live hogs (carcass weight basis). Before the ruling, live hog imports for 1985 were projected to be around 1.5 million head. Imports of pork products were forecast to increase about 2 percent in 1985 because of the strong dollar and declining domestic pork production. But, these forecasts may change after Commerce makes a final ruling, scheduled for June 10.

The March *Hogs and Pigs* report showed that producers are following their December intentions to reduce from a year earlier the number of sows farrowing through first-half 1985. If producers continue following their intentions, pork production will be down on a year-over-year basis through at least first-quarter 1986, except for a possible slight increase in third-quarter 1985. The continued reduction in farrowings is the result of generally poor returns to producers and financial stress.

Producers are expected to go on meeting some of their cash needs for planting or debt service this spring by selling gilts. Based on the relationship in recent years between the number of sows farrowing in June-August and the June 1 breeding herd, the March 1 intentions suggest that the June 1 breeding inventory in the 10 quarterly reporting States will be 5.63 million head, 2 percent below June 1984. So, little gilt retention is anticipated.

Hog slaughter in the second quarter will be drawn largely from the number of market hogs weighing 60-179 pounds on March 1, which was down 2 percent from a year earlier. Consequently, commercial slaughter for the quarter, including live hog imports, is forecast to be 1 to 3 percent below a year earlier. The average dressed weight is expected to be 1 to 3 pounds below last year's 174. Thus, second-quarter commercial production is estimated at 3,550 million pounds, down 3 percent from last year.

Hog slaughter in the third quarter will be drawn mainly from the market hogs weighing under 60 pounds on March 1; this weight group was up 1 percent from a year earlier. Thus, third-quarter commercial slaughter is fore-

cast to be unchanged to up 2 percent. The number of hogs imported may be above a year ago, depending on the ruling by Commerce. This increase may be offset by some gilt retention near the end of the quarter. Gilt retention will depend upon producers' returns during the spring and summer and the corn crop.

Hog prices at the 7 major markets dropped \$8 per cwt from mid-February to early April. Part of the price decline was due to the seasonal increase in hog slaughter. Other contributing factors were larger broiler supplies and a sharp increase in imported pork products and live hogs.

Hog prices will likely rise later this spring because of an expected seasonal decline in hog slaughter. In addition, beef supplies are likely to be below year-earlier levels for the remainder of 1985. This will help support pork prices, because more pork will be used in processed meats. However, continued large broiler supplies and larger imports of pork and live hogs will pressure prices downward. Prices of barrows and gilts at the 7 markets are expected to average \$46 to \$49 per cwt in the second quarter and rise to an average of \$50 to \$54 in the third quarter. [Leland Southard (202) 447-8636]

• Broilers

Output of broiler meat from federally inspected plants during January and February was up 5 percent from the same months in 1984. The increase would have been even larger if a storm in February had not destroyed several broiler houses. Output during the first quarter will likely be 7 percent larger than last year, with both more birds and heavier birds. These larger birds are desired for the parts and further processing market.

Broiler producers continue to expand the hatch of broiler chicks, but not at the high rates of last fall and early winter. The total hatch in February was 2 percent above last year, but on a daily basis it was roughly 5 percent larger, because of leap year in 1984. The number of eggs set during March was up about 5 percent from comparable weeks last year. If producers continue to slaughter heavier birds, output during the second quarter may be 6 to 8 percent larger than last year.

Producers have been ordering more pullets for their hatchery supply flocks. These pullets produce hatching eggs in months 7 through 14 after placement. Thus, cumulative pullet placements 7 to 14 months earlier give an indication of the size of the hatchery supply flock that producers expect to need. During second-quarter 1985, cumulative placements will be about 7 percent above 1984. Thus, broiler output is expected to continue expanding during third-quarter 1985.

Despite increased production, prices of broilers remained strong for most of the first quarter. First-quarter 12-city composite prices for whole birds, both graded and branded, averaged 51 cents per pound, down from 62 last year, when avian flu raised prices. Demand is expected to increase seasonally in the spring and summer and prevent prices from falling, despite large supplies. Thus, prices in the 12 cities may average 51 to 53 cents in the second quarter, down from 56 last year and about the same as first-quarter 1985.

In the remainder of 1985, even with larger supplies, prices may nevertheless be near the second quarter, because supplies of competing red meats will be smaller. With the general economy expected to continue strong in the third quarter, prices of broilers may average 50 to 53 cents per pound, off slightly from 54 last year.

January-February exports of young chickens, whole and parts, were 3 percent of total slaughter, the same percentage as in January-February 1984. However, with increased 1985 production, this percent represented a greater volume. The peak year for young chicken exports was 1981, when 6 percent of the total slaughter was shipped.

In addition to the strong U.S. dollar, exports have fallen because of increased competition from the EC and Brazil. The Middle East market has shrunk less because of falling oil revenues than because of rising self-sufficiency. U.S. exports in 1984 accounted for only 3 percent of total production. Imports were less than .01 percent of production. [Allen Baker (202) 447-8636]

• *Turkeys*

Turkey producers continue to expand sharply their placements of poulters for slaughter. Placements were up 6 percent in February, bringing September 1984-February 1985 cumulative placements to 7 percent more than a year before. Production in these months is supplying the birds used in first-half 1985 slaughter. First-quarter output of turkey meat from federally inspected plants was up 11 percent from last year and second-quarter output should be up 6 percent.

Excellent net returns late in 1984 and good movement during the holidays resulted in low frozen turkey stocks, encouraging expansion. Wholesale prices have declined from their highs at the end of 1984 but are still profitable because of low feed costs. Thus, producers are likely to continue expanding in second-half 1985. Production increases are expected to slow from current levels during the main hatching season, but second-half output may increase 4 to 6 percent from 1984.

Prices of commodity pack 8- to 16-pound hen turkeys in the Eastern region averaged 69 cents per pound in the first quarter, near last year's 68 cents. Prices usually dip seasonally in the second quarter; however, with more turkey being further processed and stock levels low, prices this year may decline only slightly. Prices during the second quarter may average 64 to 67 cents per pound, near last year's 67. Prices may increase in the third quarter as supplies are put under contract for fourth-quarter sales, averaging 66 to 70 cents, down from 1984's 72.

Exports of whole and cut-up turkey during January and February represented 1 percent of total production, the same as in 1984. Exports of turkey peaked in 1980 at 3 percent of production. Because of the strong dollar and the growth of foreign supplies, especially in the European Community, exports in 1984 accounted for only 1 percent of total production. With lower wholesale prices, exports may rise from the 1984 level, but they are still expected to represent only 1 percent of the increased total production. [Allen Baker (202) 447-8636]

• *Eggs*

Egg production during January-February was 2 percent above the same period last year. Fall-quarter production was also higher, up 3 percent from the preceding year because of a higher rate of lay. In 1983/84, producers were keeping old hens in production to take advantage of high egg prices. With negative or very low net returns this year, they are selling their least productive hens and keeping young flocks, which tend to have a higher rate of lay.

Poor returns in late 1984 and thus far in 1985 have caused producers to reduce orders for replacement pullets. The number of replacement pullets in the second quarter will be 12 percent below last year, when replacements were beginning to increase. However, the young hens placed late in 1984 will still be in the flocks and will likely keep egg production 2 to 4 percent above last year.

Production in third-quarter 1985 may be 1 percent above last year. Weekly data suggest egg producers are beginning to order a few more pullets than earlier in the year but still less than a year ago.

Prices of carton Grade A large eggs in New York averaged 62 cents per dozen in the first quarter, down from \$1.03 in 1984, when avian flu was pushing up prices. With output up in the second quarter and demand declining seasonally, prices may average 58 to 62 cents per dozen, down from 83 cents last year. During the third quarter, prices may average 66 to 70, near last year's 70.

During January and February, exports of shell eggs and the shell equivalent of egg products amounted to 1 percent of production, the same as last year. Exports are off from their peak in 1981, when 4 percent of production was exported. U.S. exports have been hurt by the general economic slowdown in the rest of the world, tighter supplies, last year's higher prices, the strong dollar, and stiff competition.

Lower egg prices have discouraged imports. In January-February, imports of shell eggs and shell egg products were 81 percent below last year. In 1984, the 32 million dozen imported equaled 1 percent of U.S. production, up sharply from 2 million dozen in 1982 and 23 million in 1983. [Allen Baker (202) 447-8636]

• *Dairy*

The number of milk cows on farms may increase because the diversion program has ended, but these gains may be limited by tight cash flow. In addition, on April 1 the support price was reduced 50 cents to \$12.10 per cwt, and it may be lowered again on July 1. For 1985, the average number of cows is projected to remain about the same as last year.

The January 1, 1985, inventory was 10,819 million head, or 290,000 (2.6 percent) fewer than a year earlier. Record culling in 1984 offset the large number of replacements available on January 1, 1984. Federally inspected dairy cow slaughter in 1984 was about 3.2 million head, implying that 341,000 more dairy cows went to slaughter in 1984 than in 1983. However, not all of the additional slaughter was the result of the diversion program. In fact, it seems likely that a third to a half of the extra kills last year would have occurred without the program.

Output per cow totaled 12,495 pounds last year, down 0.7 percent from a year earlier. This was only the second such decline in 40 years. Most of the drop resulted from reduced feeding and other management changes by diversion program participants. However, non-participants probably posted relatively small annual gains because of the less favorable milk-feed price relationships. Milk per cow this year is anticipated to be 1.5 to 2.5 percent larger because the diversion program has ended. Also, genetic advancements will continue to increase yields.

Milk production dipped to 135.4 billion pounds in 1984, down 3 percent from 1983. This was the first decline since 1978 and the largest since 1973. Milk production during March was 1.1 percent above a year earlier, the result of a 1.1-percent gain in output per cow and the same number of cows. With milk cow numbers expected to average about unchanged and yields larger, milk production in 1985 is forecast up 1 to 3 percent.

A special study of producers delivering to Federal order markets for the first 3 quarters of 1984 indicates that marketings by both participants and non-participants slowed as the year progressed. First-quarter marketings by participants declined 19 percent from 1983, followed by drops of 24 and 25 percent in the second and third quarters, respectively. During spring and summer, a majority of participants reduced marketings more than called for in their contracts. The reductions may have allowed those participants to start rebuilding production levels before the end of the diversion program.

Marketings by nonparticipants changed from a 3-percent daily average increase in the first quarter of 1984, to a 1-percent gain in the second quarter, to a slight decline in the third quarter. These producers were reacting to the less favorable milk-feed price relationships. Adjusted for the deductions, the effective milk-feed price ratio averaged 1.35 in 1984, the lowest since 1976. However, falling feed prices and rising milk prices late in 1984 restored the ratio to levels of the early 1980's.

Prices received by U.S. farmers for all milk during January-March averaged \$13.73 per cwt, 33 cents above the same period in 1984. The all-milk price during April-June will likely be about the same as a year earlier. The all-milk price during the summer, assuming a July 1 support price of \$11.60 per cwt, will likely be 45 to 75 cents lower than a year earlier.

Reflecting lower wholesale spot prices, the Bureau of Labor Statistics' wholesale price index for all dairy products during March was 253.4 (1967=100), down 1.6 percent from November. However, the index was still 1.8 percent above a year earlier. For all of last year, the index averaged 251.7, a gain of only 0.4 percent from 1983. The wholesale index in 1985 is expected to average 1 percent lower to 1 percent higher than last year. Meanwhile, the BLS retail dairy price index is projected to average unchanged to 2 percent larger than last year.

Preliminary data for fourth-quarter 1984 indicate commercial use of all dairy products (milkfat basis) was up 0.6 percent from a year earlier, following a gain of nearly 4 percent during January-September. During all of 1984, sales were up 3 percent. For 1985, commercial use is expected to be unchanged to 2 percent higher.

USDA net removals under the price support program, on a milkfat basis, were equal to 8.6 billion pounds in calendar 1984, down by nearly half from 1983. Removals were lower because of reduced marketings and increased commercial disappearance. In 1985, removals are expected to be somewhat larger.

During 1984, reported imports of dairy products equaled 2.7 billion pounds of milk on a milkfat basis, up nearly 5 percent from the previous year. The imports equaled 2 percent of total U.S. milk production. Exports during 1984 (primarily under Government programs) were equal to about 2.9 billion pounds, up 38 percent from the previous year. Exports were slightly larger than imports, a switch from 1983, but a return to the situation that existed in 1981 and 1982. (Clifford Carman (202) 447-8636)

CROP HIGHLIGHTS

• Wheat

The volume of exports in the first half of the 1984/85 wheat marketing year was exceeded only by the record set in the first half of 1981/82. September 1984 shipments set a one-month record, lifting total U.S. exports through January 1985 more than 20 percent above the same period a year earlier. Sales to the Soviet Union, China, and Brazil were high. Soviet purchases were double those of the previous year, mainly because of the USSR's extremely short 1984 wheat harvest.

However, as the second half of the marketing year unfolded, stronger competition from Southern Hemisphere exporters, continuing pressure from the high dollar, and a halt to Chinese buying slowed the pace markedly. Whole grain wheat exports in February had the smallest monthly volume since the January 1980 announcement of the Soviet grain embargo.

Earlier estimates of U.S. wheat exports at 1.58 billion bushels were recently dropped to 1.45 billion because of likely reduced sales through the season's end. The brightest spot in the 1984/85 export outlook is the expectation that total overseas sales of Hard Red Winter will approach a near-record 760 million bushels, or 52 percent of all exports.

Global wheat production for 1984/85 is currently estimated at 514 million tons, up 24 million from last year. These record world supplies have depressed prices and intensified the competition for export markets.

Argentina has been setting the tone of the market since December by aggressively pricing its crop \$30 to \$40 per ton below U.S. export prices. The Argentines have made available \$40 million of credit to Peru and are pursuing other sales to Latin America in an effort to diversify markets and rely less on the USSR. The explosion in March at the major port of Bahia Blanca has delayed some scheduled exports, but no major loss in exports is anticipated. However, the delays may mean Argentina will export a larger proportion of its crop in the summer months, competing with the 1985/86 crops in the Northern Hemisphere.

Despite the phenomenal 29-percent boost in EC production over last year, EC exports are running only slightly above last year's pace. Recently, the EC has been offering export subsidies of \$16-\$22 per ton in an attempt to compete with low-priced Argentine wheat. The EC may have missed better opportunities to export last summer and fall before competitor prices were reduced sharply. The current forecast for EC exports is 17.5 million tons, up 2.1 million from 1983/84.

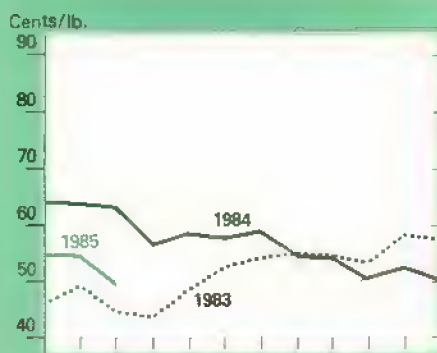
U.S. wheat exports have been hurt not only by the strong dollar but also by the recent suspension of the blended credit program. The program, which provides credit guarantees at reduced interest rates to buyers, was suspended following a U.S. District Court ruling that the program is subject to Cargo Preference requirements.

Commodity Market Prices: Monthly Update

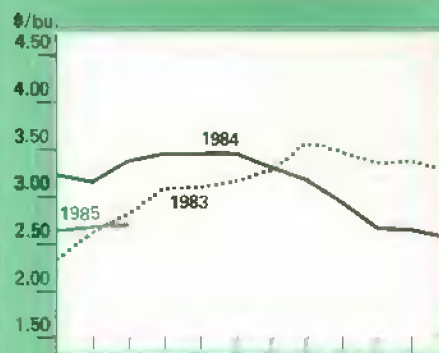
Choice steers¹



Broilers⁴



Corn⁶



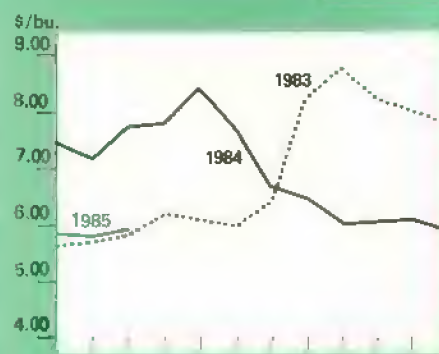
Choice feeder cattle²



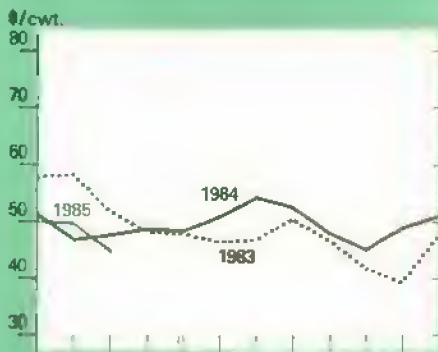
Eggs⁵



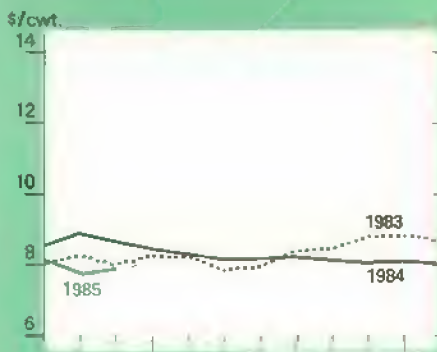
Soybeans⁷



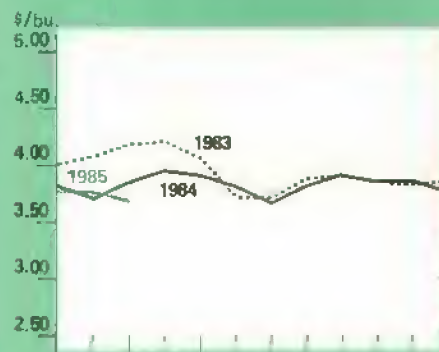
Barrows and gilts³



Rice (rough)



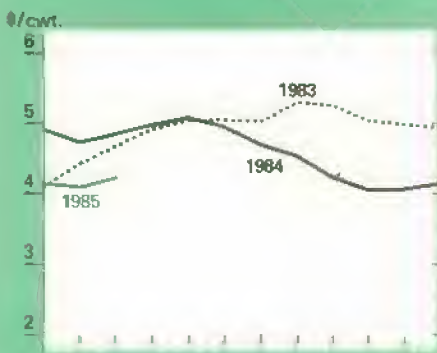
Wheat⁸



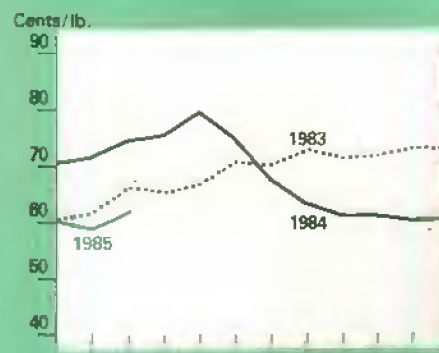
All milk



Sorghum grain



Cotton⁹



¹ Omaha. ² 600-700 lbs., Kansas City. ³ 7 markets.

⁴ Wholesale² New York. ⁵ Grade A Large, New York.

⁶ No. 2 Yellow, Chicago. ⁷ No. 1 Yellow, Chicago.

⁸ No. 1 HRW, Kansas City.

⁹ Average spot market, SLM 1-16 "

Under the Cargo Preference Provisions, half of certain Government-assisted exports must be carried on U.S. flag vessels, adding greatly to the cost of the blended credit program. Suspension of blended credit represents a potential loss of \$536 million in wheat and flour sales to Egypt, Iraq, Morocco, and Tunisia in fiscal 1985. The current forecast for 1984/85 U.S. exports is 39.5 million tons, up slightly from 38.9 million in 1983/84. [Allen Schienbein (202) 447-8444 and Scott Reynolds (202) 447-8879]

• Rice

Total supplies for 1984/85 are estimated at 185 million cwt. Disappearance is forecast at 121 million cwt, including 62 million for exports; 54 million for domestic food, seed, and brewers' use; and a 5-million residual. Average farm prices have continued to soften throughout the season, starting at a season peak of \$8.23 per cwt in August and declining to \$7.72 in February. Soft prices and weak demand will likely spur producers to comply with the 1985 rice program.

An early signup report for the 1985 rice program showed that rice producers enrolled 92 percent of an estimated 4.2-million-acre base, or about 3.9 million acres. Because the program calls for a 20-percent acreage reduction and a 15-percent cash diversion, the implied diverted base would be about 1.4 million acres. Full compliance by enrolled producers would lead to planted acreage of about 2.5 million, plus plantings by nonparticipants. A February spring planting intentions report placed 1985 estimated rice acreage just under 2.5 million. These two reports strongly suggest that the 1985 rice program will successfully hold acreage below last year's 2.8 million acres.

World rice trade in calendar 1985 is forecast at 11.7 million tons, down from 12.5 million last year. Among the major exporters, Thailand is expected to increase its market share, largely at the expense of Pakistan and Burma. During the first quarter of 1985, Thailand exported a record 1.2 million tons, because of low prices and aggressive market expansion. Thailand may increase its market share to 37 percent in 1985, marking the fifth consecutive year of expansion.

Pakistan's rice exports, on the other hand, have fallen off substantially during the first quarter. Pakistan has captured 7 to 11 percent of world trade in the 1980's and its share is likely to be at the low end of the range in 1985. The United States' market share is expected to be 17 percent, unchanged from 1984. [Barbara Stucker (202) 447-8444 and Scott Reynolds (202) 447-8879]

• Feed Grains

Despite strong corn exports early in the marketing year, exports may total only 1.95 billion bushels this season. Even with greater disappearance in 1984/85, corn stocks next October could approach 1.2 billion bushels, about 16 percent of total use. Because this is more than last year's carryout, which was about 11 percent of use, conditions this year indicate a lower price for corn. For the season, the farm price should average between \$2.60 and \$2.70 a bushel, compared with \$3.25 last season.

The 1985 acreage reduction report released April 5 showed heavy signup for the 1985 feed grains acreage reduction program. Corn signup was heaviest, with about 71 percent of the corn base acreage enrolled.

Because of the heavy program signup, corn area planted may not reach the 82 million acres intended. For the last 5 years (except during PIK), set-aside area plus planted acreage has remained a steady 84 million acres. This year, with participation in the acreage reduction program at 71 percent, the set-aside should be 5 to 6 million acres.

Sorghum, barley, and oat producers signed up 56, 58, and 15 percent, respectively, of the eligible base acres for those crops. In all, 79.2 million acres out of a possible 125.9 million were enrolled in the feed grains program.

Producers with mature farmer-owned grain reserve loans will be given the opportunity to repledge their grain as collateral under a new Special Producer Storage Loan Program. The new loan will mature in 12 months, or on demand by CCC. However, the loan may be repaid any time without penalty. Interest will be charged, but advance storage payments will be made to producers. Finally, growers can still forfeit their grain in lieu of repaying the loans. Since the new loan gives farmers with reserve loans another option when their loans mature, grain should remain under private control longer.

Global coarse grain trade for 1984/85 (October-September), bolstered almost entirely by massive Soviet imports, is forecast at 101 million tons, up about 10 million from a year ago. Among the coarse grain exporters, China, the European Community, and the United States each are expected to increase exports by about 3 million tons, while Argentine sales are likely to rise by less than 1 million.

Soviet coarse grain imports are forecast at 26 million tons, about 14 million more than each of the last 2 years. Apparently, tighter-than-anticipated feed supplies have prompted record-shattering imports and an adjustment in animal inventories. After months of increases, USSR hog numbers have been cut to below the inventory of a year ago. Growth in the poultry sector has also slowed significantly. Even so, feed use remains high, as the Soviets try to boost animal productivity and per capita meat and dairy consumption.

Although a question of shipping capacity remains, continued aggressive export policy and record production will likely push China's corn sales to a record 3.5 million tons in 1984/85. Most of the sales are destined for traditional U.S. customers, such as Japan and South Korea. No official government-to-government grain agreement exists between Japan and China. However, several Japanese trading companies have announced an arrangement to purchase 2.2 million tons of corn during the 2-year period ending in April 1986. As a result, China will continue as a coarse grain exporter in the Far East in the short term.

Official reports on South Africa's grain crops indicate that drought-reduced corn yields were likely offset by larger sorghum and wheat harvests this year. Further, the Government has officially ended grain imports into the country for the remainder of the crop year. As a result, South African 1984/85 coarse grain imports may fall below 1 million tons, with almost all of it expected to come from the United States. Interestingly enough, the last shipment of corn into the country was a relatively small delivery from China.

U.S. coarse grain sales for 1984/85 are forecast at 58.8 million tons, up 3 million from a year ago. However, the U.S. share of the world coarse grain market for the year is likely to fall from 61 percent to 58. While the U.S. share of the corn export market has led this decline (falling from 78 to 74 percent), increased sorghum sales, largely to Japan, have raised our sorghum market share to more than 50 percent for the first time since 1980/81.

The gains in global grain trade this year have generally gone to the European Community (whose barley sales have increased by over 70 percent from last year), and to China, which has begun to export corn in large quantities for the first time. *[David Hull (202) 447-8776 and James Cole (202) 447-8857]*

•Oilseeds

Soybean oil continues to support the soybean market and the oilseeds complex in general. Prices for soybean oil climbed gradually through March from 29.5 cents a pound (Crude, Decatur) at the beginning of the month to 32.5 at the end. Prices for March averaged 31.3 cents, compared with 29.6 in February.

Domestic disappearance through February was 7 percent ahead of a year earlier. Consumption through February in edible uses was 17 percent above a year earlier. Consumption in baking and frying fat led the way with a 31-percent increase. As of March 7, cumulative soybean oil exports were 30 percent above a year before. The soybean oil season-average price is projected to range between 29 and 31 cents a pound.

The strength in the soybean oil market compensates for a languishing soybean meal market. Soybean meal prices averaged \$126 a ton in March and have shown no real trend for the last 2 to 3 months. Feed demand has been sluggish as hog inventories have declined.

Soybean oil demand is motivating crush. Soybean oil is providing just over 50 percent of the value of crush, well ahead of the long-run average of about 42 percent. There are probably ample supplies of soybeans to support domestic demand at the rates implied by year-to-date use and projected exports. However, with soybean meal demand in the doldrums, oil prices will have to remain exceptionally high to get the desired supply. Soybean prices will likely average \$5.80 to \$6.00 a bushel in 1984/85.

World oilseed production is forecast at 187 million tons. With more than half of the 1984/85 U.S. marketing year for soybeans completed, attention is focused on South American production prospects and trade developments. In the second half of the year, U.S. trade generally slows as South American production enters the market.

This year, actual soybean exports through February were 7 percent below a year earlier. Projected U.S. soybean export sales through March remained well below average levels and 17 percent below a year earlier. Actual soybean meal exports through February were down 26 percent and sales were down almost 23 percent from a year earlier. U.S. soybean exports are forecast down 4 percent for the season, and soybean meal exports may drop more than 10 percent.

The main reason for the large drop in U.S. exports is lower sales to the EC. Depressed soybean meal prices are likely generating additional imports in other markets, especially the Middle East, Canada, and Mexico. These markets have more than doubled their U.S. soybean meal purchases so far this season.

With vast EC supplies of wheat, an array of alternative feedstuffs, and reduced feed demand in many EC countries because of the dairy supply control program, EC soybean meal needs are down for the third consecutive year. U.S. meal shipments to the EC this season dropped to nearly three-fifths of last year's level. Poor crushing margins, because of the strong U.S. dollar and poor meal prices, also weakened soybean demand. Furthermore, part of the EC's demand for soybeans in earlier years was determined by Soviet demand for soybean meal. This marketing year, the Soviet Union has purchased virtually no EC soybean meal.

Japan is not expanding soybean meal use during 1984/85, partly because it anticipates a gain in fishmeal output. Japan's soybean imports from the United States have leveled off somewhat as China's exports to Japan have climbed to 300,000 tons.

The Soviets remain an uncertain factor in the world soybean meal outlook for the rest of the season. Reasonable expectations of Soviet needs would suggest larger protein meal requirements. However, it is likely that some Soviet protein meal needs are being met by sources other than imported soybean meal, including soybeans from China and fishmeal.

In Mexico, new regulations permit the private sector to import. Private purchases aimed at raising stock levels are stimulating import demand. Part of the increase in the Middle East is due to expanded U.S. sales under credit programs. Canada's meal imports are rising to meet feed demand.

Trade shares of the major soybean exporters are likely to change in 1984/85. Argentina has greater crushing capacity, a large soybean crop, and tax rates that favor product exports. Therefore, Argentina's exports of soybean meal are likely to rise sharply.

Brazil currently has no restrictions on soybean imports or exports and is likely to export less meal than in the past several years but far more soybeans. This is partly due to feeble crushing margins in Brazil.

Since 1983's poor world palm oil outturn, tight supplies of vegetable oils have kept prices relatively high. U.S. soybean oil exports were strong early in the year, particularly to South Asia, but new supplies of palm oil, available at sharp discounts to soybean oil, may limit additional U.S. sales. However, the Soviet Union will purchase huge amounts of vegetable oils this year because of its low sunflowerseed outturn. The Soviets have already purchased 40,000 tons of U.S. soybean oil. [Roger Hoskin (202) 447-8776 and Jan Lipson (202) 447-8855]

• Cotton

U.S. cotton farmers have enrolled 83 percent of their base acreage in the 1985 program, up from 71 percent in 1984. Higher participation reflects increased supplies and lower prices this year, along with the outlook for continuing large supplies in relation to demand.

The heavy signup also suggests that producer plans have changed in recent weeks, and planted acreage may not reach the 11 million indicated as of February 1. Still, with average yields, cotton supplies in 1985/86 should be more than adequate for mill use and exports.

U.S. mill use is likely to remain reduced next season because of a slowdown in the economy and continued intense competition from cotton textile imports. Retail sales at apparel and accessory stores, a proxy for consumer purchases of all cotton products, have not grown since August 1984. During the first 18 months of the current recovery, retail sales expanded at an annual rate of 13 percent, but real sales may increase only 2 to 3 percent in 1985/86, a rate which would not be sufficient to push up use.

Cotton textile imports rose at an annual average rate of 6.3 percent during 1960-1984, but there were three distinct periods of very rapid growth. Following the tax cuts of 1964, cotton textile imports rose 70 percent through 1966. During the economic recovery of 1975-78, imports rose 69 percent. Finally, imports rose 61 percent from 1982 to 1984.

Following the first two periods of rapid expansion, imports actually fell in 1966 and 1979. Because of the slowing in retail sales since fall 1984, there is a chance that imports could continue the pattern and decline again in 1985. However, with the stronger dollar offsetting the effects of slower growth in retail sales, textile imports are more likely to rise.

World cotton stocks of about 38 billion bales, 55 percent of consumption, are expected when the current season ends. The large expected carryover has depressed prices, but world consumption is rising to almost 70 million bales, and world exports will be the biggest since 1979/80. Nevertheless, unless there is a crop failure in a major competing exporting country in 1985/86, world supplies will remain large and the U.S. share of trade may slip further.

Despite lower cotton prices, mill use is forecast at 5.3 million bales in 1984/85, down 600,000 from last season. Competition from textile imports and slow growth in retail sales are responsible. At seasonally adjusted annual rates, mill use fell to 5 million bales in December 1984, but it rebounded to 5.2 million in January and February.

While mill use lags, cotton exports will finish 1984/85 near 6.5 million bales. Short crops in the Soviet Union in 1983 and 1984, low ocean freight rates between West Coast ports and the Far East, the high quality of U.S. cotton, and China's inability to deliver all its surplus to export destinations explain the good U.S. export performance this season.

At seasonally adjusted annual rates, U.S. cotton exports averaged 7.1 million bales during the first 8 months of the season. However, exports are expected to decline sharply during April-July, as cotton becomes available from Pakistan and the Southern Hemisphere. With U.S. ending stocks for 1984/85 estimated at 4 million bales, the use-to-supply ratio for 1984/85 will fall from 0.81 to 0.75. The ratio could decline further next season. [Terry Townsend (202) 447-8444]

• Tobacco

With exports up and domestic consumption stable, total use of U.S. tobacco during 1984/85 may go up 3 or 4 percent. Still, October 1 carryover stocks of all tobacco may go up a little from a year earlier. The larger 1984 tobacco crop boosted this season's domestic leaf supply to 5.47 billion pounds, 2-1/2 percent above last year. On January 1, off-farm domestic stocks were 1 percent higher than a year earlier.

Most of the 1984 crop has been sold. Maryland auction markets opened on March 19 and 12 million pounds were sold in the first 3 weeks. Prices averaged \$1.48 per pound the first 3 weeks, considerably above prices for last year's drought-stressed crop. However, average prices have decreased since opening day. Auction sales of Kentucky-Tennessee dark fire-cured tobacco (types 22-23) are now complete. Auction prices averaged about 6 cents a pound more than a year ago.

Last year, cigarette output rose slightly to 668 billion. Domestic use grew modestly, but exports fell. U.S. smokers consumed 600 billion cigarettes in 1984, about the same as in 1983. Annual consumption per adult declined 1 percent to 3,454 cigarettes. Total cigarette use may decline this year because of further price hikes and continued antismoking activity.

The value of U.S. leaf and tobacco-product exports last year rose 2 percent from 1983. A larger volume was recorded for both leaf exports and manufactured exports; however, both categories carried lower prices. Exports of unmanufactured tobacco totaled 543 million pounds (246,000 metric tons), or 650 million pounds farm-sales weight. This year, export volume is expected to rise a little, but

competition from countries such as Zimbabwe and Brazil and reduced consumption in some major U.S. markets will hold down the increase.

In 1984, unmanufactured tobacco imports and the Customs category for machine-processed leaf (duty paid) fell 21 percent to 416 million pounds (189,000 metric tons). The big drop reflects unusually large imports of machine-threshed leaf in 1983, when importers anticipated a tariff reclassification of certain tobaccos. Last year's imports represented about a third of the tobacco used in U.S. cigarette production.

After an investigation and hearings under section 22 of the Agricultural Adjustment Act, the International Trade Commission (ITC) voted against placing import quotas or fees on burley, flue-cured, or dark air-cured tobacco. The ITC recommendation has been sent to President Reagan, who can accept or reject it. [Verner N. Grise (202) 447-8774]

●Fruit

The April citrus crop forecast is 10.3 million tons, 4 percent below the 1983/84 crop. April 1 prospects for the 1984/85 orange crop, at 159 million boxes, were 6 percent below last season. However, the Valencia crop is expected to be almost 19 percent more than in 1983/84. The Florida Valencia crop, at 48 million boxes, is up 2 percent, while the California crop will be 73 percent larger.

Because of strong processor demand, the opening f.o.b. price for Florida Valencia oranges was sharply above a year ago. With increased supplies, prices have declined. In late March, the f.o.b. price was quoted at \$7.79 a carton, compared with \$7.50 a year ago. F.o.b. prices for California Valencia oranges have also dropped from their early-season high. The season-average price for California Valencias may be below last season's peak.

The April 1 juice yield, estimated at 1.36 gallons a box at 42.0 degree brix equivalent, is moderately above last season, but because of the smaller crop, the pack of frozen concentrated orange juice (FCOJ) will be down from last season. Thus, even with sharply larger carryin stocks and large imports from Brazil in prospect, the total supply will still be small.

As of March 30, Florida packers had processed 86 million gallons of FCOJ, down 3 percent from a year earlier. FCOJ brought to Florida from other parts of the United States and from foreign sources totaled 43 million gallons, up from 40 million a year ago. However, because of higher prices, retail FCOJ sales have been substantially below a year ago. Consequently, stocks have increased 21 percent. The f.o.b. price for FCOJ has been steady at \$5.34 a dozen 6-ounce cans and will probably remain so.

April estimates place the 1984/85 grapefruit crop at 53.8 million boxes, up slightly from the previous season. Florida, the major producer, expects an output of 42 million boxes, up 3 percent from last season. California and Arizona also are likely to have larger harvests. The California crop is estimated at 8.1 million boxes, and Arizona growers expect to harvest 3.7 million boxes. The remaining supplies of grapefruit are substantially below a year ago.

F.o.b. prices for Florida grapefruit are sharply above a year ago, reflecting strong demand. Limited supplies of Texas grapefruit have further strengthened Florida prices. Following the January freeze, f.o.b. prices jumped, but they have declined somewhat recently. However, the season-average price through late March was well above a year earlier. Florida prices for delivered grapefruit for frozen concentrate processing have been strong also. Through March 30, the season-average price was \$3.81 a box, compared with \$3.09 a year ago.

Through late March, shipments of grapefruit for fresh and processing outlets were well above last year. Movement of processed grapefruit products has been strong. Consequently, stocks of most processed items are

smaller than last year. Vigorous demand, lower stocks, and seasonally reduced supplies are expected to keep grapefruit prices strong throughout the season.

The April 1 forecast for lemon production in Arizona and California was 25.5 million boxes, 20 percent above last year's utilized production. The Arizona crop was forecast at 5.4 million boxes, 35 percent more than last season. The Arizona harvest is virtually complete. California's crop forecast was 20.1 million boxes, 17 percent above 1983/84. Picking in California was 52 percent complete as of April 1.

Because of the large crop, movement of lemons through late March increased sharply from a year earlier. The increase was attributed primarily to 29-percent larger sales to processors. Although exports have also expanded moderately, domestic fresh sales were down slightly from a year earlier.

F.o.b. prices for fresh lemons have declined from their early-season high but are still well above a year ago. Prices through late March averaged \$10.04 a carton, compared with \$8.46 a year earlier. The strong price is primarily attributed to rising demand from processors and good export markets. Prices are expected to remain firm. [Ben Huang (202) 447-7290]

●Vegetables

Florida's mid-January freeze drove up grower and retail prices of fresh market vegetables. Prices received by farmers moved up 7 percent in February to 137 (1977=100), while prices at the retail level (CPI) also rose 7 percent, to 346 (1967=100).

Strong prices and small supplies of Florida's winter fresh vegetables boosted imports of Mexican snap beans, cucumbers, eggplant, bell peppers, squash, and tomatoes. March marked the peak of Mexico's harvest period, and its U.S. market share increased to 86 percent. In April, Mexico's share

usually drops below 50 percent, as areas in the United States other than Florida begin harvesting the spring crop. This year Florida bounced back into production with replanted and new spring acreage. The outlook for spring-quarter fresh vegetables indicates rapidly falling prices through May, with a leveling off in June.

Overall potato plantings are up. The Florida freeze reduced the forecast for winter potato production to 2.69 million cwt, but that figure is still 2 percent above 1984 and 23 percent above 1983. Florida estimates a 9-percent increase in its winter production, while California, the only other major producer of winter potatoes, reduced production by 4 percent.

Spring potato planting estimates were 3 percent above last year and 11 percent over 1983. California, the largest producer of spring potatoes, will increase production 4 percent, but cold growing weather may reduce yields. The January freeze had a negligible effect on Florida's spring crop, with plantings up slightly.

Planted 1985 acreage for all onions, reported in the March 8 *Vegetables* report, is down 3 percent from a year ago to 127,000. The reduced area may reflect the current low grower prices for that crop. However, average yields, estimated up from last year's 180 cwt to 230 cwt per acre, could offset the reduction. Spring onion acreage for harvest is off 9 percent from 1984, primarily because of a 43-percent decline in Arizona, where heavy rains fell in January.

Increases in processing-vegetable production in 1984 steadied prices through December, and prospective 1985 plantings of the five major processing vegetables increased marginally. Processors of green peas, pickling

cucumbers, and sweet corn increased their 1985 contract intentions 5, 3, and 2 percent, respectively. Decreases were reported for tomatoes (8 percent) and snap beans (2 percent).

California, where the bulk of canning tomatoes are grown, will reduce contracted acreage this year by 9 percent because of a 15-percent increase in 1984 supply and lower prices this season. Increases in Indiana, Pennsylvania, Maryland, Delaware, and Virginia will not offset the large cuts in California.

The major green pea States—Wisconsin, Minnesota, Washington, and New York—will increase contract acreage for canning by 6 percent and for freezing by 5 percent. North Carolina, Florida, and Texas are reducing their contract acreage of cucumbers for pickles, while Michigan and other Midwestern States are increasing theirs slightly.

Gains in sweet corn contract acreage for Michigan, Iowa, and Minnesota will more than offset losses in Illinois and Wisconsin, with most of the added production used for freezing. Snap bean intentions are mixed by use, with canning use down 3 percent, mainly in New York and Oregon, and freezing use up 1 percent in the Midwest.

Prices for processed and frozen vegetables increased marginally in winter quarter. Ample inventories of canned and frozen vegetables plus increased contract acreage for 1985 will keep the lid on wholesale prices of processed vegetables during spring quarter. Upcoming lower prices for processed and fresh vegetables likely will hold down the average of grower prices for all commercial vegetables during second-quarter 1985. [Shannon Hamm (202) 447-7290]

•Sugar

The import fee on raw sugar has been reduced to zero, effective April 1, by Presidential proclamation. The fee was first triggered in December, reached 2.2875 cents a pound by March 5, and was scheduled to be 2.7185 cents a pound in April. Very

little sugar for U.S. consumption entered from abroad in February and March, as traders anticipated the fee reduction. The proclamation also reduced the fee on refined sugar to 1 cent a pound.

During February and March, the daily spot price for raw sugar, New York (Contract No. 12), stayed between 20.21 and 21.04 cents a pound, below the market stabilization price of 21.57 cents. Prices could soften following the import fee reductions.

Sugar supplies could also rise in 1985/86 because the outlook has brightened for selling the defunct Great Western Sugar Company operations. The company ceased operations in March because of financial difficulties, but a tentative deal has been struck to sell its six processing operations in Wyoming, Montana, and Nebraska to the Tate and Lyle Company. Grower associations are interested in purchasing another six plants.

The retail price of sugar has been in the 35-37 cent range since September 1982. Retail prices should remain flat in the near term as large domestic supplies of sugar, coupled with declining use, hold down raw prices.

World raw sugar prices (f.o.b. Caribbean) were 3.59 cents a pound in January and 3.66 in February. Prices have stayed soft because of upward revisions in world sugar production figures for 1984/85. Prices should remain in the 3.5-4.5 cent range over the next two quarters. Any increases would be based on downward revisions in the production forecasts for the 1985/86 crop. But, these would have to be major ones to influence prices, since the stocks on hand are so big. [David Harvey (202) 447-8666]



World Agriculture & Trade

GLOBAL COTTON OUTLOOK

Dramatic increases in area and yield have given rise to a record world cotton harvest of 84.2 million bales, 25 percent above 1983/84's problem-plagued outturn. Global production rose 16.4 million bales in 1984/85, including a 6.6-million increase in China and 5.3 million in the United States. Many other major producers have also posted notable gains. For example, Pakistan has more than doubled output, even though area has expanded only slightly.

Egypt, the USSR, and Syria did not show gains in 1984/85. The USSR harvested its smallest crop in a decade, because of poor weather and recurring management difficulties (such as worn farm equipment and misapplications of farm chemicals). The shortfall in the USSR was compounded by increased handpicking to upgrade the lint quality. Handpicking requires more time, and severe cold and snow set in before the lint could be completely gathered.

Output in 1983/84

Still Exceeded the Trend

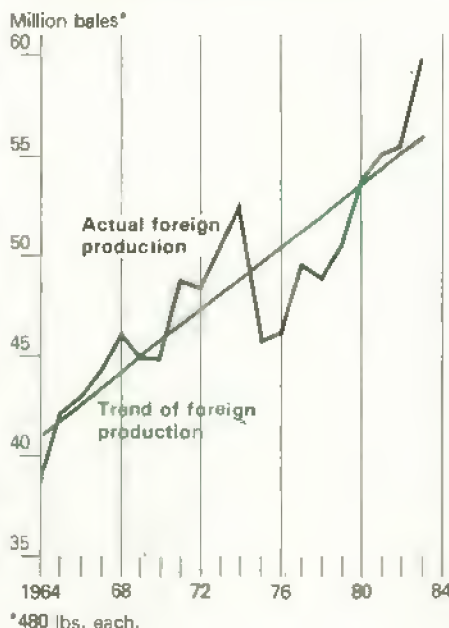
In general, 1983/84 was not a good year for cotton crops in many major producing nations. For instance, Brazil reduced area planted from the previous year, primarily because cotton prices were low relative to prices of corn and soybeans. After planting, drought decreased yields, leaving 1983/84 output down 15 percent.

Pakistan's crop was decimated by pest infestations and late rains. Egypt and India also had reduced crops that year.

Although many cotton-producing countries experienced difficulties in 1983/84, production still exceeded the 20-year trend in both total world output and foreign production. Thus, recovery in 1984/85 places output far above the level indicated by the historical trend. The current estimate of global production is almost 16 million bales above what would be indicated by the 20-year trend. Foreign production is 14.7 million bales above trend.

Without China, foreign production would have fallen more than 2 million bales below trend in 1982/83 and 1983/84. From 1981 to 1983, China increased its yields 34 percent through better seed varieties and producer incentives. China's acreage was expanded 17 percent. Total world output from 1981 to 1983 was only 135,000 bales above trend, because drought and PIK caused a 35-percent drop in U.S. cotton production.

For Two Decades, Foreign Cotton Production Has Trended Upward



Mill Use Lags Behind Production

Sharp production gains in foreign countries this year are not going to be reflected in a proportional increase in mill use. The rate of growth in foreign consumption is much faster than that for the entire world, reflecting a decline in textile production in the United States. However, cotton textile imports by the United States have helped fuel the expansion and industrialization of developing economies, particularly in Asia.

Textile industries in developing countries are vital to those nations' longrun economic development. Textile production is highly labor intensive and the capital investment required is relatively low compared with other industries. Consequently, the manufacture of textiles is often the first step in the industrialization process. Because of this, the number of textile suppliers in the international market has increased substantially. As the economies of the new textile exporters grow, they compete with traditional textile exporters for market share.

Japan Facing Competition From Low-Wage Countries

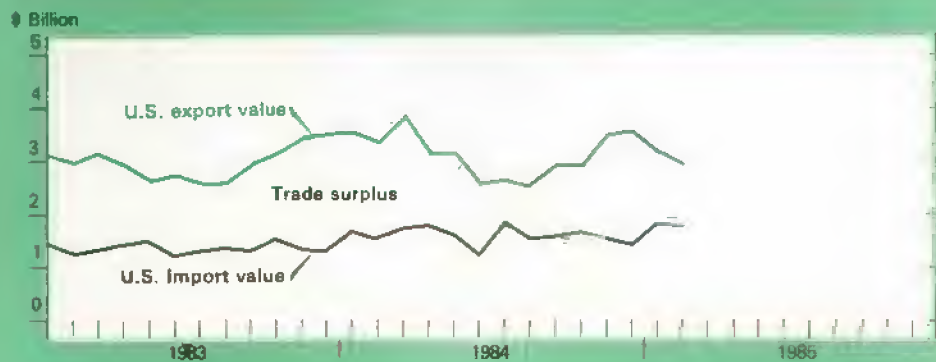
Japan began accumulating stocks of cotton textiles in the 1980's because of increasing competition from textile imports. As a result, the Government set up a voluntary yarn production curtailment scheme. While renewed interest in natural fibers helped spark improvement in domestic cotton use, textile imports from less mature textile-oriented economies are growing faster than the expansion in Japan's domestic demand.

Japan's higher wage rates are allowing low-wage countries, such as India, Thailand, Pakistan, and China, to compete in the Japanese textile market. Japan's textile industry is expected to scale down operations in the coming years.

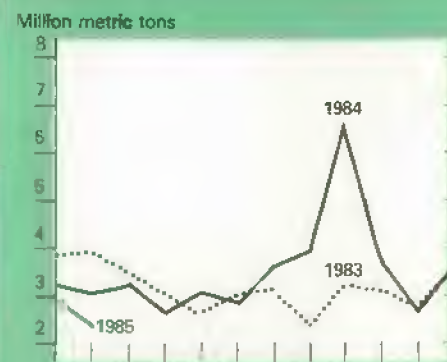
South Korea, another established textile exporter, also faces depressed textile export demand because of increased competition. Orders for goods from Korean mills have slowed, and most mills have only 1 to 1.5 months' bookings, compared with 2 months of bookings during most of last year. To make matters worse, Korean currency

U.S. Agricultural Trade Indicators

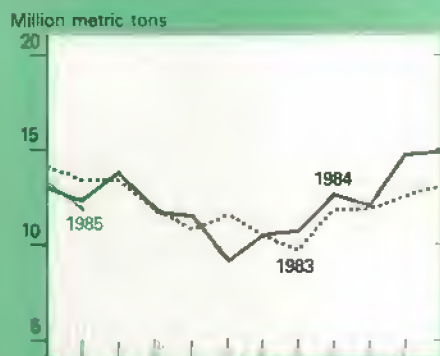
U.S. agricultural trade balance



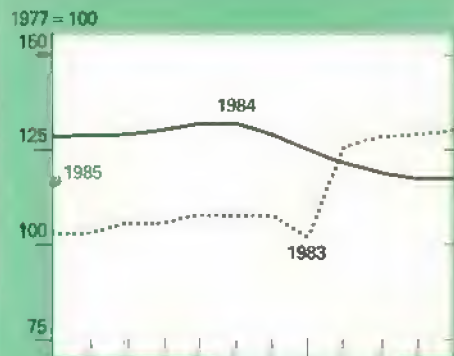
U.S. wheat exports



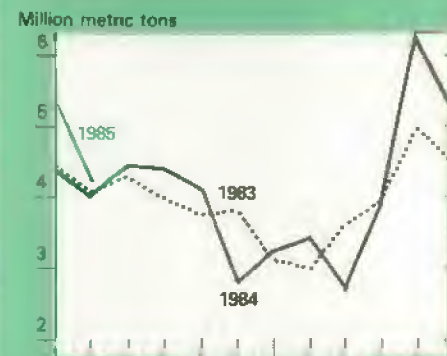
Export volume



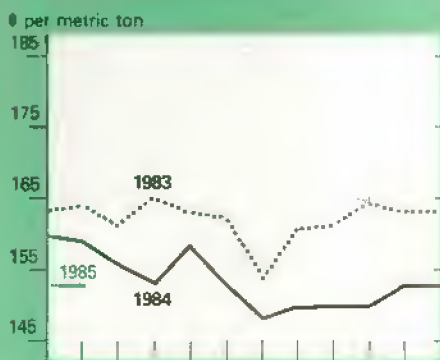
Export prices



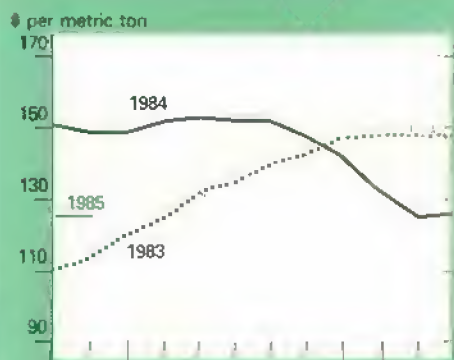
U.S. corn exports



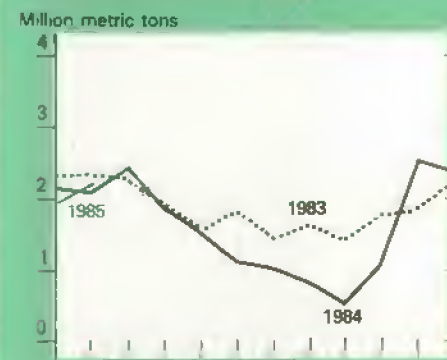
Wheat export unit value*



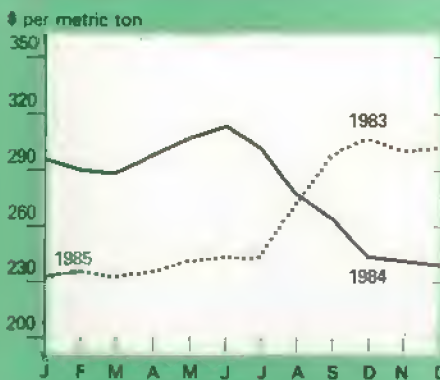
Corn export unit value*



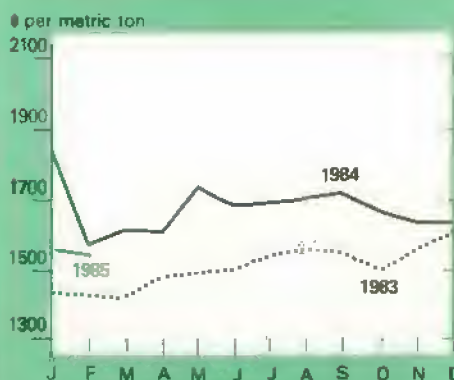
U.S. soybean exports



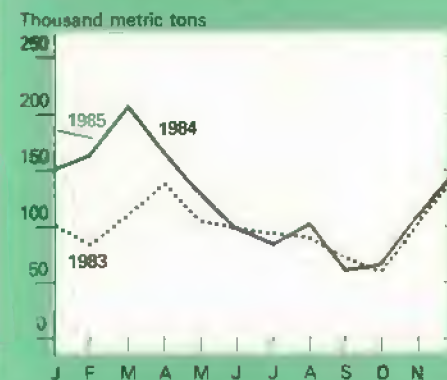
Soybeans export unit value*



Cotton export unit value*



U.S. cotton exports



*Value of U.S. exports divided by volume exported. Data on the wheat, corn, soybean, and cotton exchange rates are now included in the U.S. Agricultural Trade tables at the back of this issue.

is stronger than many of its competitors', so its textiles may be unfavorably priced in world markets, and the Government has introduced measures to improve Korea's current account deficit by curbing raw cotton imports.

Prices at 2-Year Low

World cotton trade in 1984/85 is expected to improve 8 percent from last year; however, competition among exporters is intense. With excessive supplies among exporters, price cutting and credit arrangements are used frequently as sales incentives. International cotton prices are lower than at any time during the past 2 years. The price discounts are not stimulating significant buyer interest, however, in light of declining prices and increasing demand for manmade textiles, especially in developing countries.

World Trade Patterns Are Shifting

The reduced supply of cotton in the Soviet Union is altering the status of the USSR as a supplier to Japan and Western Europe. East Europe is the Soviets' first priority for cotton shipments. However, to meet export commitments, the Soviet Union is expected to have to import about 1.1 million bales in 1984/85. Almost a third may come from the United States. China, Sudan, Greece, Egypt, and Nicaragua are also projected to ship cotton to the USSR.

Pakistan has rebounded from its status as a net importer in 1983/84. Pakistan's cotton is comparable in quality to Texas High Plains cotton but is being sold at a discount to comparable U.S. cotton. This price discounting will enable Pakistan to export about 1.15 million bales in 1984/85.

China is aggressively pursuing export markets to earn foreign exchange and

reduce enormous stocks. China now supplies more than 50 percent of Hong Kong's cotton imports. China's cotton is also reaching markets in South Africa, Egypt, and Zaire. A variety of financial arrangements and prices below the world price are inducements currently being offered.

Quality and Service Help U.S. Compete

The U.S. share of world trade will decline from 35 percent last year to a more normal 31 percent this season. Availability of good quality cotton, attractive credit programs, and timely shipments have enabled the United States to export about the same quantity as in 1983/84. Late-season exports to the Far East may taper off more quickly than usual, however, because of cargo rate hikes.

Japan will again be the most important market for U.S. cotton. More than half of Japan's cotton imports will come from the United States. This represents roughly 25 percent of total U.S. cotton exports. The U.S.

share of the Hong Kong market continues to shrink as China dominates that country's imports. South Korea will obtain about 75 percent of its cotton imports from the United States, the same as last year. This is about 20 percent of total U.S. exports. The U.S. market share in Thailand, which traditionally has been about two-thirds and fell to 45 percent last year, could slip as low as one-third in 1984/85.

Western Europe will likely keep cotton imports from the United States at 1983/84's increased level. The global economic recovery means rising consumer incomes in Western Europe and increased demand for cotton textiles. European textile exports are also expanding. In addition, continued low USSR exports to Western Europe are helping the United States capture additional market share.

Prospects for 1985/86:

Overabundance To Continue

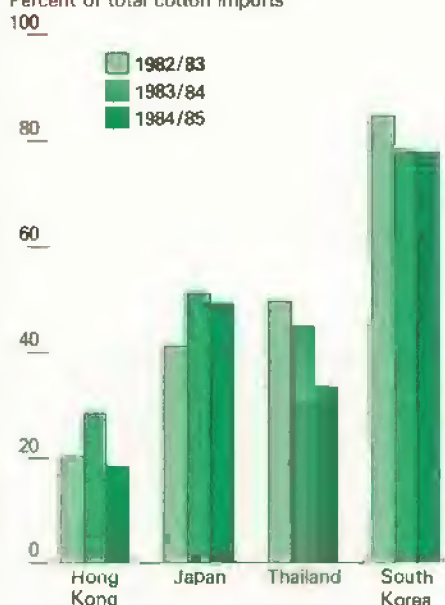
The upcoming cotton marketing year likely will feature large stocks and abundant production which will maintain downward pressure on prices. Global beginning stocks are projected to reach 38.4 million bales. Almost half may be held by China, compared with less than one-third last year.

Although China has expanded its use (exports plus mill use), the phenomenal gain in supply has been far larger. Beginning next year, China is projected to write off a substantial amount of low-quality cotton as waste.

China's new procurement policy limits the amount the Government will buy in 1985/86 to 19.5 million bales. Any cotton over this quantity will have to be sold by the farmer on the open market at prevailing prices. In the first year of this new policy, it is expected that production will exceed procurement by several million bales. However, estimates of the total crop are significantly below the 1984/85 season.

Textile Manufacturers Import Less U.S. Cotton This Year

Percent of total cotton imports



The *Prospective Plantings* report for 1985/86 indicates U.S. farmers intend to plant 11 million acres to cotton as of February 1. However, the heavy signup in the acreage reduction program indicates that acreage may not reach 11 million acres. Even so, based on average yields of recent years, U.S. production and supplies should be more than adequate. If smaller Chinese production materializes, foreign output also could be down. However, even with prospects for larger consumption overseas, production could be larger. [Richard Cantor (202) 447-8054]

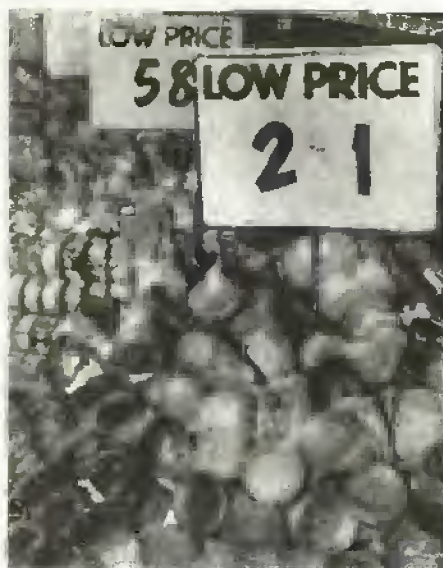
Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the June *Agricultural Outlook* comes off press.

May

- 1 Poultry Slaughter
- 3 Dairy Products
- 7 Celery
- Milk Production
- 8 Vegetables
- 10 Crop Production
- Grain Stocks
- Rice Stocks
- 13 Potato Stocks
- Turkey Hatchery
- 15 Sugar Market Statistics
- Milk Production
- 21 Catfish
- Farm Labor
- 23 Eggs, Chickens, & Turkeys
- 24 Livestock Slaughter
- Cattle on Feed
- Cold Storage
- 30 Egg Products
- 31 Agricultural Prices

Reports are available through subscription only. For subscription information, write or call Jerry Clampet, SRS, Crop Reporting Board, Rm. 5809, South Bldg., Washington, D.C. 20250; (202) 447-2130.



Food and Marketing

FOOD PRICE UPDATE

For 1985, the Consumer Price Index for food is forecast to move 2 to 4 percent above 1984. Marketing costs are also likely to rise moderately and cause most of the retail food price increases. Food price increases have been moderate for the past 3 years: 4 percent in 1982, 2.1 in 1983, and 3.8 in 1984.

While real consumer income is expected to rise in 1985 and strengthen demand, large supplies of farm foods will likely result in lower farm prices. Farm prices for foods in 1985 are expected to average 1 to 3 percent below 1984 and hold down retail food price increases.

Red meat supplies will decline slightly from the record levels of 1984. Both beef and pork production are expected to decline about 3 percent. In contrast, broiler production is up sharply from last year. As a result, total meat and poultry supplies will remain large.

Fresh vegetable supplies have also been greater this winter than in 1984. And, in spite of the freeze in Florida in January, grower prices have averaged well below 1984. Fresh vegetable supplies are expected to remain ample at least through the second quarter.

Although supplies of most farm foods are large, fresh fruit supplies are an exception. Weather damage to citrus crops in Florida and California has kept citrus supplies tight. Tree damage will result in smaller supplies in the fall as well. Cold weather has also hurt peach trees, and supplies this summer are expected to be below 1984. Because of the small supplies, and the resulting higher farm prices, 1985 retail prices for fresh fruit are likely to average 13 to 15 percent above last year.

All major marketing costs—labor, packaging, transportation, and energy—are expected to go up this year. However, with moderate inflation and some slowdown in the economic recovery this year, costs are not likely to rise much. Nevertheless, the higher cost of marketing will be responsible for the moderate rise in retail food prices. [Ralph Parlett (202) 447-8801]

Changes in Food Price Indicators, 1982 through 1985

	1982	1983	1984	1985f
	Percent			
Consumer Prices Indexes				
All food	4.0	2.1	3.8	2 to 4
Food away from home.	5.3	4.4	4.2	3 to 6
Food at home.	3.4	1.1	3.6	2 to 4
Meat, poultry, and fish.	4.0	-0.7	1.6	1 to 3
Meat	4.8	-1.1	0.3	1 to 3
Beef and veal	1.4	-1.5	1.2	1 to 3
Pork	12.9	-0.7	-1.3	2 to 5
Poultry.	-1.8	1.2	10.6	-6 to -3
Fish and seafood	3.6	1.2	3.2	2 to 5
Eggs	-2.8	4.7	11.7	-18 to -15
Dairy products	1.4	1.2	0.7	0 to 3
Fats and oils.	-2.6	1.3	9.5	3 to 6
Fruits and vegetables.	5.5	0.3	6.6	4 to 7
Sugar and sweets	-0.2	1.9	3.9	3 to 6
Cereals and bakery products	4.5	3.2	4.4	2 to 5
Nonalcoholic beverages	2.8	1.9	2.5	2 to 5

f = forecast.



Inputs

FERTILIZER UPDATE

The export market has added strength to fertilizer prices and allowed U.S. fertilizer producers to maintain higher levels of production this year. In the first 7 months of the 1984/85 fertilizer year, anhydrous ammonia production increased about 16 percent, wet-process phosphoric acid 11 percent, and potash 7 percent.

Nitrogen exports from July 1984 to February 1985 were up about 72 percent, or 2.2 million tons, from a year earlier. Anhydrous ammonia, diammonium phosphate, and urea were the major items contributing to increased nitrogen exports.

Also in July-February, phosphate exports rose 53 percent, to 4 million tons of plant nutrient. Again, the increase resulted from a 69-percent gain in diammonium phosphate exports. Greater shipments of phosphoric acid and monoammonium phosphates also added to the quantities of phosphatic fertilizer exported.

Potash exports increased 43 percent to about 390,000 tons during the period. Growth in exports of potassium chloride and potassium sulfate were the principal contributors.

Average spring 1985 farm fertilizer prices were 6 percent below March last year. Unchanged domestic consumption and plentiful supplies reduced fall-to-spring price increases. Prices of nitrogen products have fallen the least, with anhydrous ammonia prices down 7 percent and ammonium nitrate prices down 3 percent. Urea prices remained unchanged (see accompanying table). Triple superphosphate, diammonium phosphate, and muriate of

potash prices are down about 10 percent from last spring. Strong demand could increase prices in May, but average prices will remain below last year. (Paul Andrienas (202) 475-4787)

FARM MACHINERY UPDATE

Domestic purchases of most major farm machinery items during January-February 1985 were below both depressed year-earlier levels and annual purchase patterns since 1973. U.S. farmers are buying less new farm machinery, despite slightly lower real interest rates, reduced prices, and more attractive sales incentives, such as below-market-rate dealer financing and comprehensive multiyear warranties. Continued depressed farm financial conditions, a cautious rural financial market, lower expected crop prices, and uncertainty over the 1985 farm bill have reduced demand for machinery.

Typically, tractor sales fall from January to February, then rise sharply to an April peak. Sales of most grain- and forage-harvesting items are relatively flat through May, then increase substantially during the second half of the year. Demand for farm machinery will have to rise dramatically during the remainder of the spring just to regain year-earlier levels. However, the current short-term outlook suggests little gain in demand.

Average Farm Prices for Fertilizer Are Dropping

Year	Anhydrous ammonia (82%)	Triple superphosphate (44-46%)	Diammonium phosphate (18-46-0%)	Potash (60%)	Mixed fertilizer (6-24-24%)
Dollars per ton					
1982: March	256	230	267	155	219
1983: March	237	214	249	143	205
1984: March	275	229	271	144	212
May	280	231	271	147	217
October	259	210	250	134	205
December	252	208	246	132	202
1985: March	255	206	244	128	196

During January-February, unit purchases of over-40-horsepower two-wheel-drive tractors and all four-wheel-drive tractors fell 21.3 and 48.1 percent, respectively, below a year earlier. Demand for big-ticket four-wheel-drive units dropped sharply in 1984 and continued to fall in 1985.

Sales of self-propelled combines, the major big-price harvesting machinery item, also were off dramatically during the first 2 months of 1985, falling 46.3 percent from 1984. Unit purchases of balers, forage harvesters, and mower-conditioners also declined substantially.

Although demand for new farm machinery has declined during the first 2 months of 1985, farm machinery dealers can expect their

repair business to improve. During the 1970's, U.S. farmers spent 23 to 34 cents on farm machinery repairs for every dollar spent on purchases. When demand for farm machinery started to fall in 1980, farmers began to spend relatively more for repairs. By 1983, they spent 59 cents on machinery repairs for each dollar spent on purchases. This trend is expected to continue until financial conditions in the agricultural sector improve. [Michael Hanthorn (202) 475-3850]

PESTICIDE UPDATE

Farm-level herbicide prices are down 4.5 percent this spring from a year earlier, following a decline of 7.1 percent between 1983 and 1984. Herbicide prices have been falling since 1982.

Several factors are influencing the herbicide market. During the 1960's and 1970's, market growth occurred because treated acreage increased.

The proportion of row crop acreage treated with herbicides rose from 71 percent in 1971 to 84 percent in 1976 to 91 percent in 1982. Most of the materials were applied either before the crop was planted or before weeds emerged.

Patents for some of these pesticides are expiring. The patent for trifluralin (used on soybeans and cotton) expires next fall and the one for alachlor (corn and soybeans) ends in 1986. The price of trifluralin has declined from a high of \$8.55 per pound of active ingredient in 1982 to \$6.40 in 1985. Alachlor's price increased until this year, when it dropped slightly. The potential exists for increased competition as these patents expire.

Also, in recent years several new herbicides have entered the market, primarily for postemergence application. Use of these materials allows the

farmer to determine exactly what the weed problems are before applying a herbicide.

The composite March 1985 insecticide price was up 2.8 percent from a year earlier, compared with a 5.3-percent decline between 1983 and 1984. While prices of most insecticide materials have risen over the past few years, some prices have declined. For example, the average price of synthetic pyrethroids (primarily used for cotton), which were introduced in the late 1970's, dropped from \$88.50 per pound (active ingredient) in 1981 to \$55 in 1984. In addition, second-generation pyrethroids are now available, adding to price competition. [Herman Delvo (202) 447-8308]

Upcoming Economic Reports

Title	Summary Released
Livestock & Poultry	May 6
Western Europe	May 7
World Ag Supply & Demand	May 10
Vegetable Yearbook	May 14
Agricultural Outlook	May 17
Wheat	May 20
Oil Crops	May 21
Exports	May 22
Eastern Europe	May 28

Summaries are available on some computer networks on the dates indicated; the full reports are also released electronically 2 to 3 days later. For details on the summaries, call (402) 472-1892 or (301) 588-1572. Full reports, text and tables, are provided by the system on (402) 472-1892.

Most Herbicide Prices Are Falling. But Most Insecticides Are Up¹

Pesticide	Price per pound ¹			Change from 1984 to 1985
	1983	1984	1985	
	Dollars		Percent	
Herbicides				
Alachlor	4.88	5.10	5.05	-0.1
Atrazine	2.45	2.19	2.03	-7.3
Butylate ²	3.22	3.34	3.07	-8.1
Cyanazine	-	4.35	4.48	4.2
Metolachlor	-	6.06	6.04	-0.3
Trifluralin	7.80	6.90	6.40	-7.2
2, 4-D	2.71	2.46	2.39	-2.8
Composite ³	4.53	4.21	4.02	-4.5
Insecticides				
Carbaryl	3.60	3.70	3.86	4.3
Carbofuran	9.88	10.09	10.15	0.6
Chlorpyrifos	-	8.38	8.20	-2.1
Fonofos	-	8.46	8.76	3.5
Methyl parathion	2.66	2.88	2.86	-0.7
Phorate	-	6.04	6.48	7.3
Synthetic pyrethroids	66.00	55.20	56.00	1.4
Terbufos	-	9.29	9.71	4.5
Composite ³	10.26	9.72	9.99	2.8

-not reported

¹ Average U.S. farm retail pesticide prices for March, based on a recent pesticide retailers survey conducted by the Statistical Reporting Service, USDA, and other sources.

² Active ingredients. ³ Includes above materials and other major materials not listed.



Where Do U.S. Exports Go?

In fiscal 1984, nearly 60 percent of the value of all U.S. agricultural exports went to 10 countries. The 10 account for about 80 percent of the export value of U.S. feed grains and over 60 percent of U.S. wheat. Most of the top 10 countries in 1984 were also among the 10 largest 5 years ago, but some shifts have occurred in countries' relative positions on the list.

Most of the countries listed as our 10 largest markets in 1984 were also among the 10 largest 5 years ago. With the exception of the Soviet Union, the composition of the group is fairly stable from year to year. However, some changes have occurred.

Countries that are members of the European Community as well as major U.S. customers have decreased their purchases of U.S. products. Meanwhile, the shares of several developing countries—Mexico, Korea, Taiwan, and Egypt—have increased. The trend is not confined to just the United States' 10 major customers. The share sold to all developed countries fell to 50 percent in 1984 and the developing countries' share rose to 39 percent, each group changing about 5 percentage points since 1979.

East Buys West

Japan has been the largest customer for U.S. agricultural products for many years. Not only is Japan's share of U.S. agricultural exports more than twice as large as any other country's, but it is consistently in that position. Alone,

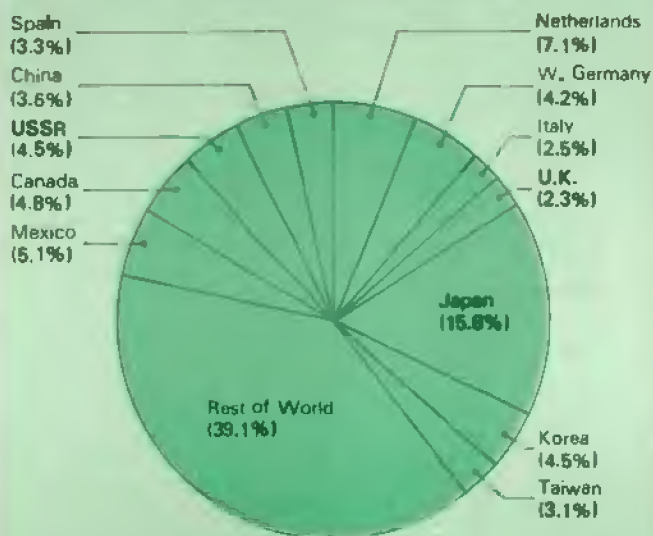
Japan accounts for one-fifth to nearly one-third of U.S. fruit, soybean, tobacco, cotton, and feed grain exports. Japan's arable land is only about 1 percent that of the United States, and much of it is planted to rice and vegetables. However, rising incomes are increasing demand for poultry and red meat. Japan's growing livestock sector currently depends on imports for 70 percent of its feed, and the imports' share is increasing. Only 2 percent of the country's coarse grain consumption comes from domestic production.

Japan's agricultural policies, like those of most countries, aim to promote food production and security. But support for domestic food and farmers has emphasized rice, historically the most important crop. There are no import duties on feed grains and imports from the United States rose 37 percent between 1979 and 1984. Feed grains now account for over one-third of the value of U.S. exports to Japan.

Korea and Taiwan: Growth Markets

Korea and Taiwan share several important features with Japan. Though Japan's highly developed economy sets it apart, all three have limited land and share a tradition and preference for rice. Though less developed, Korea and Taiwan are industrializing and have shown strong income growth and increased meat consumption since development accelerated in the 1970's.

Japan Is Single Largest Customer for U.S. Farm Exports



Cumulative exports, 1980-84

Feed grains and oilseeds comprise about 60 percent of the United States' farm exports to Taiwan and 40 percent of sales to Korea. Together with Japan, Taiwan and Korea took 40 percent of our total feed grain exports and 33 percent of our soybean exports in 1984, compared with 27 and 28 percent in 1979. These three also imported about one-half of all U.S. cotton exported last year and a quarter of all tobacco, about the same as 5 years earlier. From 1979 to 1984, the amount of U.S. agricultural exports going to these countries as a share of all agricultural exports rose from 23 to 27 percent, with wheat the only major commodity declining.

Purchases from EC Members Slip

In contrast, the share going to countries that are both major customers and members of the EC (Netherlands, West Germany, the United Kingdom, and Italy) fell from 18 to 13 percent during 1979-84, lower than Japan's share alone. While shipments to the Netherlands—the largest customer of the four—declined only marginally, exports to the United Kingdom fell 27 percent, and neither Italy nor the UK has ranked among our 10 largest customers since 1982. While the value of our exports to Japan has fallen in only 1 year since 1979, export value to the Netherlands and West Germany has fallen in 3 out of 5 years.

These aggregate changes, and the changing mix of products exported, are partially a function of the EC's Common Agricultural Policy (CAP). The CAP's intent is to ensure fair standards of living for farmers and stable, secure, and reasonably priced food for consumers. But, it has also strongly affected U.S. agricultural exports.

For example, U.S. exports to these countries are strongly skewed towards oilseeds, which outsell grains 4 to 1 in value. This trend is continuing, partially reflecting Europe's poor climate for soybeans, but also reflecting the fact that variable import duties protect Community grain prices from erosion by imports. High domestic prices for grains and the absence of import levies on oilseeds and products and other nongrain feeds have promoted the increased demand for these products.

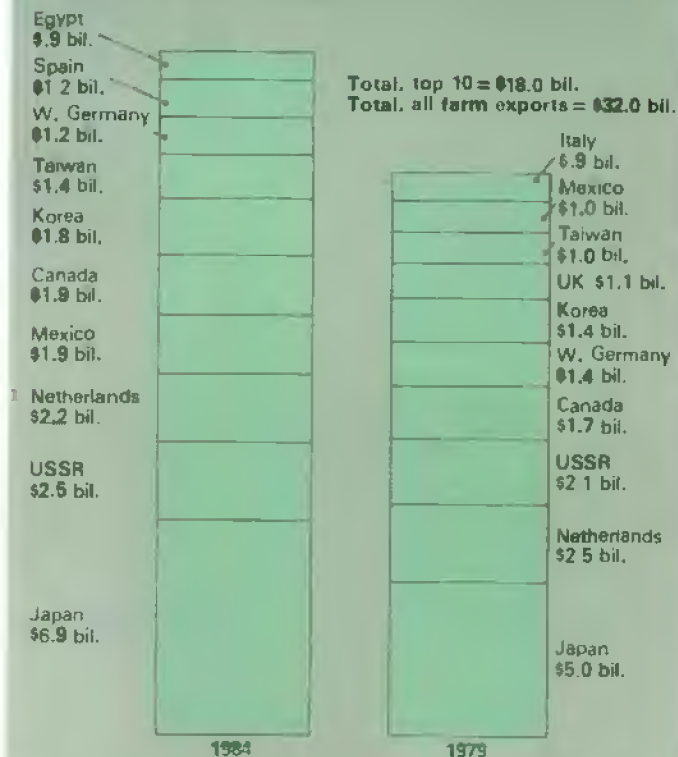
Large EC Livestock Sectors

Were Good Market for U.S. Oilseeds

Community prices are generally above world prices. Before 1979, these higher grain prices led to a boom in nongrain feed imports such as manioc, corn gluten, and oilseeds. The compound feed industry doubled in the 1960's and 1970's,

Top U.S. Export Customers Have Changed Little Over 5 Years

Total, top 10 = \$22.2 bil.
Total, all farm exports = \$38.0 bil.



Fiscal years. Totals may not add because of rounding.

and by 1979 the Netherlands, West Germany, the UK, and Italy accounted for 62 percent of U.S. exports of feeds and fodders (excluding oilcake), and took over a third of our soybean exports.

EC countries with large livestock sectors are thus much more likely to be major U.S. customers. In both the Netherlands and West Germany, the livestock sectors are larger than the crop sectors. Both countries also have relatively strong currencies, which under Community policy means grain prices there are even higher than in the rest of the EC. In addition, both nations are significant milk producers and therefore heavy users of compounded feed.

EC Recession Cut Imports of Both Feed Grains and Soybeans

Since 1979, EC economic growth has fallen to about 1 percent a year, compared with 3.5 percent in 1979. Declining

farm income has sharpened interest in Community self-sufficiency. Oilseed production has been encouraged, and support prices for sunflowerseed and rapeseed have been increased substantially faster than those for grains. As a result, production of these commodities doubled between 1979 and 1984, displacing some soybean meal consumption. Import quotas on manioc, a soybean meal complement, further constrained consumption. Between 1979 and 1984, purchases of U.S. oilseeds and products by these four countries fell \$600 million, declining \$500 million for soybeans alone.

To encourage feeding of domestically produced grains, increases in the Community's intervention prices were allowed to lag increases in targeted wholesale prices. Import floor prices for corn were also raised more quickly than target prices. The result was that EC coarse grain imports fell more than twice as fast as consumption from 1979 to 1984, and imports from the United States fell more than four times as fast. Barley replaced corn as the most important component of feed grain consumption, while wheat feeding rose 80 percent and the Community became a net exporter of grains.

Europe's relative economic stagnation and growing unemployment during 1979-84 restrained meat demand, and livestock numbers failed to increase. However, until the dairy supply control program was instituted in 1984, milk production rose through increases in yields per cow. Nevertheless, the net effect of these changes was that U.S. feed grain exports to the four countries declined nearly as much as U.S. oilseed exports did. The United States did enjoy a modest increase in exports of other feeds and fodders. This increase was smaller than either decline, though.

Thus, in 1979, the "EC-4" took 8 percent of all U.S. grains exported and 31 percent of all oilseeds and products, but by 1984 their shares were 3 and 24 percent, respectively. Feed grains and oilseeds in 1979 comprised 60 percent of U.S. export value to the four countries, but only 47 percent in 1984. The share of other feeds and fodders (mostly corn gluten) doubled to 16 percent and represented one of the few increases. Cotton and horticultural goods were the only other increases and together accounted for only 8 percent.

CAP Was Not the Only Demand Squelcher

During 1979-84, the share of U.S. agricultural exports going to the EC-4 fell from 18 to 13 percent, while that going to

the East Asia-3 rose from 23 to 27 percent. The reasons go beyond EC policies of raising domestic production and increasing self-sufficiency.

Because the three Asian countries are more densely populated than the European ones and are very mountainous, little opportunity remains for expanding area there. Moreover, agriculture in the three is already labor- and chemical-intensive, further restricting opportunities for growth. Korea and Taiwan in particular are still industrializing and pulling agricultural labor into industry.

China Feeds Its Own

China, another Asian country intent on industrializing, is not a growing agricultural export market for the United States. China was not among our 10 largest customers in either 1979 or 1984, but was fourth in 1980 and fifth in 1981. On a cumulative purchase basis, from 1980 to 1984 China was our eighth largest market. U.S. exports to China are largely grains but have included soybeans and cotton in the past.

China's importance as a U.S. agricultural customer is a fairly recent phenomenon. Trade between the two countries grew as tensions eased through the 1970's and it blossomed in the 1980's when Chinese domestic policy encouraged imports. In 1981, China was the United States' largest customer for wheat.

China is important, despite its comparatively sporadic purchases from the United States, because it contains one-quarter of the world's population and has tremendous potential for consumption and production. In recent years, its production capability has become apparent. Following a 50-percent rise in procurement prices and other policy changes, total Chinese agricultural output has risen 50 percent since 1979, and record crops have given China self-sufficiency in several important U.S. export commodities.

Cotton and corn together accounted for over one-half of U.S. farm exports to China in 1979, but China is now a competing exporter of these products, as it is for soybeans. Wheat production has also reached record levels, but there is little movement of grain between provinces, and imports continue.

Consequently, wheat accounted for 97 percent of U.S. farm export value to China in 1984. The United States recently has been the main supplier, though its share has fluctuated from 60 to 21 percent in the last 5 years. Cattle hides are

now the United States' second largest export to China. Though hide exports have risen since 1979, they have not come close to offsetting declines in other commodities. U.S. agricultural exports to China peaked at \$2,184 million in 1981 and were \$692 million in 1984.

Mexican Purchases Increase

In contrast to China's decreasing importance as a U.S. customer, Mexico's has steadily increased. On a cumulative basis, it ranked third for 1980-84, compared with ninth for 1975-79. Like many developing countries, it has seen many years of burgeoning population and lagging agricultural production. As in China, recent years have seen a strong rise in production—but the increases have been concentrated in petroleum, not agriculture. Though not a member of OPEC, Mexico is the world's fourth largest producer of crude oil. Income rose with the oil boom, but food output has continued to lag. In 1980, Mexico's agricultural trade balance became negative and it has remained so since.

The United States is both Mexico's largest agricultural customer and its largest supplier. The U.S. share of Mexico's farm imports rose to over 90 percent during the beginning of Mexico's recent financial crisis. U.S. farm exports to Mexico declined over \$1 billion from 1981 to 1982 and but for extensive credit guarantees perhaps would have fallen further in 1983. In 1984, however, the need for GSM-102 credit guarantees fell to less than one-half of 1983's \$1.3 billion, and exports rose 25 percent from 1983.

The United States' largest export to Mexico is usually corn, which is primarily a food grain there. Feeds such as sorghum and oilseeds are also important exports but unlike U.S. corn often face competition from other suppliers, such as Argentina and Australia.

Of total U.S. agricultural exports to Mexico, 40 percent of the value consists of food rather than feeds or industrial raw materials. The food share is the highest of any country discussed so far and indicative of the state of Mexico's economic development. Less developed countries' farm imports from the United States tend to be over 50 percent food, compared with under 30 percent for the developed world. Of the United States' major markets, Egypt imports an even greater share of food compared with nonfood.

Egyptian Food Needs Are Large

The largest export to Egypt is wheat, and Egyptian wheat imports from the United States and other sources have grown steadily since the 1960's. Egypt's agricultural land is severely limited and production has lagged while population—particularly urban population—has boomed. Subsidized bread has long been available to urban consumers, but since 1979 it has become widespread in rural areas as well.

The United States is the country's largest wheat and flour supplier, but Egypt imports from most other major exporters as well. Cooking oil is another subsidized commodity, and animal fats and vegetable oils rank among the United States' more important exports to Egypt.

Soviet Purchases Are High, Sometimes

Discussion so far has centered on market changes resulting from economic development in our major customers. Consequently, the second largest U.S. market in 1984—the Soviet Union—has yet to be mentioned. However, the Soviet Union is not consistently an important customer, as it was in 1984, and it has ranked below Mexico and Korea over the last 5 years on a cumulative basis. While this ranking is in part due to the U.S. grain embargo during the period, the USSR was only our sixth largest customer for the 5 years preceding 1980.

Not only do total U.S. exports to the Soviets vary, but their distribution fluctuates. In 1979, wheat accounted for only 26 percent of our exports to the Soviets; in 1984, it reached 47 percent. Discerning significant trends in the Soviet Union is more difficult than for most countries, but it is apparent that livestock numbers there are increasing. U.S. exports vary with fluctuations in grain production and also with changes in Soviet economic and political priorities.

Canada Buys Plants and Produce

While the Soviet Union is unique among our major markets for its volatility, Canada differs even more than the USSR from the 11 countries discussed earlier. Of the countries that have been among our 10 largest customers during the last 5 years, Canada stands out as the most important competitor, consistently exporting large quantities of wheat and barley.

Canada is also the United States' largest trading partner overall and is among the world's most highly developed countries. Close ties and ease of transportation make large U.S. exports of corn and oilseeds to eastern Canada possible despite Canada's status as a major feed exporter. But the largest portion—40 percent—of Canada's U.S. farm imports are horticultural products, and Canada accounted for about one-third of all U.S. fruit and vegetable exports and 14 percent of U.S. meat exports in 1984. [Steve MacDonald (202) 447-8841]

Statistical Indicators

Summary Data

Key statistical indicators of the food and fiber sector

	1984					1985			
	I	II	III	IV	Annual	I F	II F	III F	Annual F
Prices received by farmers (1977=100)									
Livestock and products	145	145	142	137	142	135	136	138	136
Crops	151	146	143	142	146	144	144	146	145
	138	143	141	131	139	126	127	129	127
Prices paid by farmers, (1977=100)									
prod. items	156	157	154	152	155	154	155	156	155
Commodities and services, int., taxes, and wages	164	165	164	164	165	164	166	167	166
Cash receipts¹ (\$ bil.)*									
Livestock (\$ bil.)	134	139	149	144	139-143	138-142	142-146	142-146	140-145
Crops (\$ bil.)	73	70	71	72	70-74	70-74	69-73	69-73	70-74
	61	69	78	72	68-72	67-71	71-75	71-75	69-73
Market basket (1967=100)									
Retail cost	279	278	280	279	279	285	285	289	287
Farm value	257	252	256	249	254	248	249	251	250
Spread	292	293	294	294	293	307	308	312	309
Farm value/retail cost (%)	34	34	34	34	34	33	32	32	32
Retail prices (1967=100)									
Food	301	302	304	304	303	309	311	314	312
At home	292	292	293	292	292	299	299	301	300
Away-from home	329	332	335	338	333	341	346	350	348
Agricultural exports (\$ bil.)²	10.7	8.9	8.2	10.0	38.0	9.9	8.4	6.2	34.5
Agricultural imports (\$ bil.)²	5.0	4.7	5.0	4.7	18.9	5.2	5.0	4.6	19.5
Livestock and products									
Total livestock and products (1974=100)	112.3	116.5	114.8	116.1	114.9	114.4	117.0	116.4	115.4
Beef (mil. lb.)	5,710	5,820	5,952	5,936	23,418	5,700	5,575	5,800	22,750
Pork (mil. lb.)	3,737	3,670	3,355	3,957	14,720	3,625	3,550	3,375	14,200
Veal (mil. lb.)	115	113	123	128	479	118	90	95	403
Lamb and mutton (mil. lb.)	98	92	88	93	371	93	82	79	335
Red meats (mil. lb.)	9,661	9,695	9,518	10,114	38,988	9,536	9,297	9,349	37,688
Broilers (mil. lb.)	3,082	3,350	3,339	3,227	12,999	3,300	3,560	3,575	13,835
Turkeys (mil. lb.)	432	589	777	775	2,573	480	625	820	2,735
Total meats and poultry (mil. lb.)	13,175	13,634	13,634	14,116	54,560	13,316	13,482	13,744	54,258
Eggs (mil. dz.)	1,400	1,408	1,427	1,469	5,705	1,460	1,450	1,440	5,830
Milk (bil. lb.)	34.0	35.6	33.5	32.4	135.4	33.6	36.5	34.5	137.8
Choice steers, Omaha (\$/cwt.)	67.58	66.01	64.28	63.49	65.34	62.24	65-68	65-69	64-68
Barrows and gilts, 7 markets (\$/cwt.)	47.68	48.91	51.21	47.65	48.86	47.31	46-49	50-54	47-51
Broilers-wholesale, 12-city weighted avg. dressed (cts./lb.)	61.8	56.4	54.1	49.9	55.6	51.5	50-53	49-53	49-53
Turkeys-wholesale, N.E., 8-16 lb. hens, dressed (cts./lb.)	67.7	66.9	72.4	90.5	74.4	68.9	64-67	66-70	65-69
Eggs, N.Y. Gr. A large, (cts./dz.)	103.4	83.4	70.1	66.7	80.9	61.7	58-62	66-70	63-67
Milk, all at farm (\$/cwt.)	13.40	12.97	13.20	14.13	13.42	13.73	12.70-13.10	12.15-12.75	12.90-13.20
Crop prices at the farm³									
Wheat (\$/bu.)	3.46	3.58	3.38	3.42	3.35-3.40	3.36	—	—	—
Corn (\$/bu.)	3.16	3.34	3.11	2.59	2.60-2.70	2.63	—	—	—
Soybeans (\$/bu.)	7.60	7.98	6.51	5.97	5.80-6.00	5.81	—	—	—
Upland cotton (cts./lb.)	65.9	69.3	66.0	60.7	—	—	—	—	—

¹ Quarterly cash receipts are seasonally adjusted at annual rates. ² Annual data are based on Oct.-Sept. fiscal years ending with the indicated year.

³ Quarterly prices are simple averages; annual prices are for marketing year beginning in year indicated. F = Forecast. Numbers may not add to totals due to rounding. *Seasonally adjusted at annual rates.

Transportation Data

Rail rates; grain and fruit-vegetable shipments

	Annual			1984					1985	
	1982	1983	1984.	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Rail freight rate index¹										
All products (1969=100)	351.4	355.8	372.2	370.7	372.5	374.4	374.4p	374.8p	374.8p	374.8p
Farm products (1969=100)	337.2	342.9	359.7	357.7	359.6	364.2	364.2p	364.2p	364.2p	364.2p
Grain (Dec. 1978=100)	159.5	160.2	168.2	167.2	167.9	170.6	170.6p	170.6p	170.6p	170.6p
Food products (1969=100)	353.2	356.6	373.1	371.9	373.2	375.1	374.7p	376.1p	376.1p	376.1p
Rail carloadings of grain (thou. cars)²	24.9	26.1	27.3	29.1	30.2	24.5	28.2	26.4	24.9	23.9
Barge shipments of grain (mil. bu.)³	41.2	40.8	37.2	22.6	41.4	49.4	56.6	36.2	32.9	30.0
Fresh fruit and vegetable shipments										
Piggy back (thousand cwt.) ^{3,4}	387	545	568	2,530	459	319	454	511	480	2,594
Rail (thou. cwt.) ^{3,4}	698	786	641	4,088	362	398	458	635	570	2,826
Truck (thou. cwt.) ^{3,4}	7,849	7,786	7,861	33,710	6,607	6,699	7,556	7,962	6,918	33,931

¹ Department of Labor, Bureau of Labor Statistics, revised April 1982. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1985. p = preliminary.

Farm Income

Farm income statistics

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984 F	1985 F
	\$ Bil.										
Receipts											
Cash receipts:											
Crops ¹	45.8	49.0	48.6	53.7	63.2	72.7	73.3	74.6	69.5	68 to 72	69 to 73
Livestock	43.1	46.3	47.6	59.2	66.6	67.8	69.2	70.1	69.2	70 to 74	70 to 74
Total	88.9	95.4	96.2	112.9	131.8	140.5	142.6	144.8	138.7	139 to 143	140 to 145
Other cash income ²	1.8	1.8	3.0	4.3	2.9	2.8	3.8	5.5	10.8	9 to 11	6 to 10
Gross cash income	90.7	97.1	99.2	117.2	134.7	143.3	146.4	150.2	149.6	149 to 153	148 to 153
Nonmoney income ³	6.5	7.3	8.4	9.2	10.7	12.4	13.6	14.2	13.6	12 to 14	12 to 14
Realized gross income	97.2	104.4	107.6	126.4	145.4	155.7	160.0	164.4	163.2	162 to 166	161 to 166
Value of inventory chg.	3.4	-1.5	1.1	.8	4.9	-5.5	7.9	-2.6	-11.7	5 to 9	-3 to 1
Total gross income	100.6	102.9	108.7	127.2	150.4	150.2	167.9	161.8	151.4	169 to 173	160 to 165
Expenses											
Cash expenses ⁴	61.7	67.8	72.0	81.0	97.2	105.6	111.4	113.4	109.5	114 to 116	113 to 117
Total expenses	75.0	82.7	88.9	99.5	118.1	128.9	136.9	139.5	135.3	139 to 141	138 to 142
Income											
Net cash income	29.0	29.3	27.3	36.2	37.5	37.7	35.0	36.8	40.1	34 to 38	33 to 37
Total net farm income	25.6	20.1	19.8	27.7	32.3	21.2	31.0	22.3	16.1	29 to 33	20 to 25
Deflated total net farm income ⁵	20.3	15.2	14.2	18.4	19.8	11.9	15.8	10.8	7.5	13 to 15	9 to 11
Off-farm income	23.9	26.7	26.1	29.7	35.3	37.6	39.8	39.4	41.0	41 to 45	43 to 47

F = Forecast. ¹ Includes net CCC loans. ² Income from machine hire and custom work, farm recreational income, and direct government payments. ³ Imputed gross rental value of farm dwellings and value of home consumption. ⁴ Excludes depreciation of farm capital, perquisites to hired labor, and expenses associated with farm dwellings, and includes net rent to all landlords. ⁵ Deflated by the GNP implicit price deflator, 1972=100. Totals may not add due to rounding.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1984				1985		
	1982	1983	1984	Mar	Oct	Nov	Dec	Jan	Feb	Mar p
1977=100										
Prices Received										
All farm products	133	134	142	145	138	137	135	135	135	134
All crops	121	127	139	139	138	130	125	126	125	126
Food grains	146	148	143	145	142	143	140	140	139	138
Feed grains and hay	120	143	146	153	130	126	128	130	129	129
Feed grains	120	146	148	155	130	126	127	130	129	130
Cotton	92	104	108	116	107	102	92	86	81	87
Tobacco	154	147	156	149	165	168	166	162	158	159
Oil-bearing crops	88	102	109	119	93	93	90	90	88	89
Fruit	175	123	199	132	289	246	201	197	188	177
Fresh market ¹	186	123	216	135	324	272	217	212	202	189
Commercial vegetables	127	131	134	154	138	106	115	128	137	152
Fresh market	120	129	133	160	140	96	108	126	137	156
Potatoes ²	125	123	157	161	113	116	126	132	133	138
Livestock and products	145	141	146	151	139	143	145	145	145	141
Meat animals	155	147	151	158	142	146	151	152	154	148
Dairy products	140	140	138	136	144	147	144	144	141	139
Poultry and eggs	110	118	135	149	117	127	121	117	113	116
Prices paid										
Commodities and services										
Interest, taxes, and wage rates	157	160	164	164	164	164	164	164	164	164
Production items	150	153	155	157	153	153	153	154	154	153
Feed	122	134	135	142	125	123	122	123	122	121
Feeder livestock	164	160	154	161	150	154	154	163	165	165
Seed	141	141	151	142	156	156	156	156	156	156
Fertilizer	144	137	143	146	141	141	139	139	139	137
Agricultural chemicals	119	125	128	126	129	129	129	129	129	128
Fuels & energy	210	202	202	203	201	200	198	195	192	195
Farm & motor supplies	152	152	148	148	148	148	147	147	147	147
Autos & trucks	159	170	182	179	183	189	189	189	189	189
Tractors & self-propelled machinery	165	174	181	180	182	182	182	182	182	180
Other machinery	160	171	180	177	183	183	183	183	183	182
Building & fencing	135	138	138	138	137	137	137	137	136	136
Farm services & cash rent	145	147	151	148	151	151	151	152	152	152
Interest payable per acre on farm real estate debt	241	251	251	251	256	256	251	250	250	250
Taxes payable per acre on farm real estate	131	137	132	132	145	145	132	135	135	135
Wage rates (seasonally adjusted)	143	148	150	150	150	150	150	150	150	150
Production items, interest, taxes, and wage rates	155	159	161	162	159	159	159	160	160	160
Prices received (1910-14=100)	609	613	649	663	632	625	618	619	617	610
Prices paid, etc. (Parity Index) (1910-14=100)	1,076	1,105	1,130	1,131	1,129	1,131	1,125	1,130	1,130	1,130
Parity ratio ³	57	56	57	59	56	55	55	55	55	54

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweet potatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. (1910-14=100). p = preliminary.

Prices received by farmers, U.S. average

	Annual*			1984				1985		
	1982	1983	1984	Mar	Oct	Nov	Dec	Jan	Feb	Mar p
Crops										
All wheat (\$/bu.)	3.52	3.58	3.46	3.49	3.43	3.46	3.38	3.38	3.38	3.33
Rice, rough (\$/cwt.)	8.36	8.31	8.32	8.63	8.08	8.13	8.08	8.09	7.72	7.84
Corn (\$/bu.)	2.37	2.99	3.05	3.21	2.65	2.55	2.56	2.64	2.62	2.63
Sorghum (\$/cwt.)	4.00	4.89	4.61	4.85	4.06	4.08	4.16	4.16	4.10	4.23
All hay, baled (\$/ton)	69.20	73.70	76.30	79.40	71.90	73.00	76.00	74.00	75.40	72.50
Soybeans (\$/bu.)	5.78	6.73	7.02	7.68	6.08	8.02	5.82	5.90	5.75	5.78
Cotton, Upland (cts./lb.)	55.5	62.9	65.5	70.1	64.6	61.8	55.8	52.1	48.9	52.5
Potatoes (\$/cwt.)	5.10	4.97	6.45	6.55	4.19	4.61	4.91	5.22	5.18	5.39
Dry edible beans (\$/cwt.)	16.80	18.20	20.40	20.30	19.90	19.20	18.60	18.10	19.20	19.10
Apples for fresh use (cts./lb.)	15.3	13.2	17.0	15.3	18.4	17.3	17.8	14.7	14.5	15.0
Pears for fresh use (\$/ton)	300	280	218	152	300	364	333	329	376	381
Oranges, all uses (\$/box) ¹	6.61	3.36	9.01	4.23	15.01	11.54	8.28	8.37	8.01	7.12
Grapefruit, all uses (\$/box) ¹	2.06	1.99	3.05	3.05	5.26	4.16	4.19	3.86	3.48	2.88
Livestock										
Beef cattle (\$/cwt.)	57.00	55.80	57.60	61.70	54.10	54.90	57.00	57.30	58.50	57.20
Calves (\$/cwt.)	60.20	62.10	60.10	63.70	58.20	59.40	59.50	64.10	65.40	66.00
Hogs (\$/cwt.)	54.00	46.20	47.60	45.80	43.80	47.00	48.60	48.00	48.30	43.60
Lambs (\$/cwt.)	54.60	55.50	60.30	58.20	62.40	63.30	61.90	63.40	66.70	66.90
All milk, sold to plants (\$/cwt.)	13.60	13.60	13.40	13.20	14.00	14.30	14.00	14.00	13.70	13.50
Milk, manuf. grade (\$/cwt.)	12.70	12.60	12.50	12.30	13.00	13.20	13.00	12.90	12.60	12.50
Broilers (cts./lb.)	26.8	29.2	33.4	37.8	29.5	30.8	28.5	30.9	30.5	30.1
Eggs (cts./doz.) ²	58.5	63.0	70.1	79.4	55.3	61.3	58.4	51.7	52.8	57.6
Turkeys (cts./lb.)	37.5	36.5	46.9	41.6	51.1	57.3	60.5	51.9	41.6	40.7
Wool (cts./lb.) ³	68.0	61.5	78.5	79.3	81.3	81.7	72.0	68.2	65.3	72.2

¹ Equivalent on-tree returns. ² Average of all eggs sold by producers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. *Calendar year averages. p = preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual				1984				1985	
	1984	Feb	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
1967=100										
Consumer price index, all items	311.1	306.2	311.7	313.0	314.5	315.3	315.3	315.5	316.1	317.4
Consumer price index, less food	311.3	305.9	312.0	313.2	315.2	316.1	316.2	316.2	316.3	317.4
All food	302.9	302.1	303.2	304.8	304.2	304.4	304.1	305.1	307.3	309.5
Food away from home	333.4	328.5	334.4	335.5	335.8	336.6	337.7	339.2	339.9	341.4
Food at home	292.6	293.6	292.5	294.4	293.4	293.4	292.4	293.2	296.1	298.6
Meats ¹	268.1	270.0	267.3	269.9	268.0	267.1	268.1	269.6	270.8	270.6
Beef and veal	275.6	280.9	272.1	274.3	271.9	271.3	271.9	276.2	276.4	275.6
Pork	252.5	250.6	255.5	259.9	257.5	255.0	251.2	254.6	258.5	258.9
Poultry	218.5	225.5	221.3	216.5	217.2	214.0	213.1	213.8	217.4	219.5
Fish	386.8	386.2	387.0	387.0	390.6	390.6	389.2	392.2	406.1	401.4
Eggs	209.0	270.3	182.7	179.3	178.6	177.8	175.6	185.7	161.3	169.7
Dairy products ²	253.2	250.9	252.2	252.7	254.9	256.1	257.2	258.4	258.8	259.2
Fats and oils ³	288.0	281.1	291.4	295.4	295.1	294.9	293.0	293.7	295.9	295.1
Fruits and vegetables	317.4	321.0	320.0	327.7	319.7	318.4	314.8	309.7	320.8	333.0
Fresh	330.3	342.8	332.4	345.7	332.5	329.3	323.4	312.6	332.7	354.1
Processed	306.1	299.9	309.2	310.7	308.4	309.2	308.0	309.3	310.6	312.7
Cereals and bakery products	305.3	300.3	306.6	307.8	307.9	308.7	309.0	310.7	312.4	313.7
Sugar and sweets	389.1	381.2	391.8	392.6	393.7	393.3	390.9	391.7	394.5	394.8
Beverages, nonalcoholic	443.0	441.8	442.7	441.5	444.0	446.8	445.5	443.4	449.4	452.7
Apparel commodities less footwear	183.2	179.3	178.9	183.1	187.8	189.2	188.3	185.9	181.9	183.7
Footwear	209.5	206.4	208.0	207.7	211.1	212.9	212.9	211.4	208.6	210.1
Tobacco products	310.0	305.4	313.2	313.9	314.1	314.6	314.7	314.6	321.0	323.2
Beverages, alcoholic	222.1	219.9	222.5	222.9	223.1	224.2	223.8	223.9	224.3	225.8

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer price indexes, U.S. average (not seasonally adjusted)

	Annual			1984					1985	
	1982	1983	1984	Feb	Sept	Oct	Nov	Dec	Jan	Feb
	1967=100									
Finished goods¹	280.6	285.2	291.2	290.6	289.5	291.6	292.3	292.4	292.7	292.5
Consumer foods	259.3	261.8	273.5	274.7	273.0	271.8	272.3	274.4	274.2	275.5
Fresh fruit	236.9	251.2	252.8	233.6	301.5	272.5	261.0	269.7	255.5	285.1
Fresh and dried vegetables	246.5	248.9	278.3	355.3	259.8	242.7	223.9	217.9	242.3	272.8
Eggs	178.7	n.a.	210.8	280.7	177.6	179.9	176.0	187.5	141.9	161.5
Bakery products	275.4	285.7	299.0	295.0	302.1	302.9	303.2	305.0	307.3	308.9
Meats	250.6	236.7	236.7	241.0	235.6	224.9	230.4	236.3	236.7	234.5
Beef and veal	245.0	236.7	236.9	248.6	229.2	220.1	230.1	234.6	233.9	234.9
Pork	251.1	227.6	226.2	222.2	232.0	216.4	218.5	229.8	230.9	220.6
Poultry	178.7	185.0	206.1	215.8	202.1	196.8	203.9	200.1	198.8	196.1
Fish	422.4	448.2	485.3	425.3	453.6	515.4	515.9	539.2	541.2	527.7
Dairy products	248.9	250.6	251.7	248.4	255.2	256.7	257.4	255.9	255.4	254.1
Processed fruits and vegetables	274.5	277.4	294.2	292.8	292.0	295.5	291.7	292.6	296.7	295.4
Shortening and cooking oils	234.4	256.1	311.5	292.7	312.7	316.2	321.5	308.8	301.0	303.9
Consumer finished goods less foods	287.8	291.4	294.1	293.1	291.7	294.8	295.7	294.9	294.8	293.6
Beverages, alcoholic	197.8	205.0	209.9	209.0	210.4	210.5	210.5	209.6	210.1	210.1
Soft drinks	319.1	327.4	340.5	334.6	342.9	348.2	344.8	345.6	345.0	350.3
Apparel	194.4	197.4	201.1	200.5	202.2	200.5	201.6	201.8	202.6	202.8
Footwear	245.0	250.1	251.2	252.5	252.1	252.2	249.1	249.6	252.4	256.6
Tobacco products	323.2	365.4	399.5	390.3	406.7	406.8	407.1	406.9	423.8	420.4
Intermediate materials²	310.4	312.3	320.0	317.6	320.3	319.9	320.5	319.8	319.6	318.6
Materials for food manufacturing	255.1	258.4	271.1	268.3	270.0	267.2	269.2	268.4	264.9	264.1
Flour	183.4	186.4	185.2	181.6	182.8	184.9	184.9	183.3	185.6	186.9
Refined sugar ³	161.3	172.0	173.5	173.4	172.8	172.0	171.6	170.6	168.2	165.1
Crude vegetable oils	160.1	193.8	262.1	220.3	248.8	256.9	271.8	252.0	223.9	235.9
Crude materials⁴	319.5	323.6	331.0	332.6	326.2	320.0	323.7	323.1	319.4	318.3
Foodstuffs and feedstuffs	247.8	252.2	259.7	260.5	252.7	245.5	253.4	253.7	251.3	250.7
Fruits and vegetables ⁵	253.7	262.1	278.0	312.2	289.7	266.8	251.0	251.7	258.6	289.2
Grains	210.9	240.4	239.7	235.3	231.4	219.0	219.7	212.5	217.5	217.2
Livestock	257.8	243.1	251.8	251.9	244.9	233.9	247.7	252.3	247.4	249.7
Poultry, live	191.9	206.5	240.6	251.3	239.7	219.2	247.1	231.7	232.7	222.4
Fibers, plant and animal	202.9	227.0	226.4	232.7	210.3	202.8	201.4	203.0	204.5	200.6
Milk	282.5	282.0	278.3	275.7	282.1	286.7	287.6	287.5	284.6	281.0
Oilseeds	214.5	245.3	253.3	251.0	228.3	217.2	222.6	216.2	214.9	211.7
Coffee, green	311.5	300.1	308.0	301.3	310.2	310.2	310.2	310.2	310.2	310.2
Tobacco, leaf	269.9	274.2	272.7	263.4	295.6	290.1	n.a.	290.9	284.5	258.5
Sugar, raw cane	278.5	315.9	312.0	315.6	312.6	309.6	306.2	304.5	297.7	293.6
All commodities	299.3	303.1	310.3	308.9	309.3	309.4	310.4	309.9	309.8	309.2
Industrial commodities	312.3	315.7	322.6	320.6	322.2	323.2	323.8	323.0	323.2	322.5
All foods⁶	254.4	257.5	269.4	270.2	268.9	267.2	267.9	269.5	268.5	269.6
Farm products and processed foods and feeds	248.9	253.9	262.6	263.4	259.4	255.8	258.4	259.2	258.0	257.8
Farm products	242.4	248.2	255.7	261.6	249.7	240.1	245.5	245.7	243.2	244.6
Processed foods and feeds	251.5	255.9	265.3	263.4	263.6	263.3	264.4	265.5	265.1	263.9
Cereal and bakery products	253.8	261.0	270.4	267.1	271.9	272.7	272.6	273.7	276.1	278.2
Sugar and confectionery	269.7	292.8	301.4	300.5	302.4	300.2	297.1	296.3	293.1	290.4
Beverages	256.9	263.6	273.2	270.2	274.6	276.8	276.2	275.9	276.2	277.6

¹Commodities ready for sale to ultimate consumer. ²Commodities requiring further processing to become finished goods. ³All types and sizes of refined sugar. ⁴Products entering market for the first time which have not been manufactured at that point. ⁵Fresh and dried. ⁶Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). n.a. = not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1984					1985	
	1982	1983	1984 p	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Market basket¹										
Retail cost (1967=100)	266.4	268.7	279.3	280.7	280.0	279.7	278.8	279.9	282.1	284.8
Farm value (1967=100)	247.8	242.3	255.7	261.5	250.6	245.7	248.1	252.7	250.6	251.0
Farm-retail spread (1967=100)	277.4	284.3	293.1	292.0	297.2	299.7	296.9	295.9	300.6	304.7
Farm value/retail cost (%)	34.4	33.4	33.9	34.5	33.1	32.5	33.0	33.4	32.9	32.6
Meat products										
Retail cost (1967=100)	270.3	267.2	268.1	270.0	268.0	267.1	266.1	269.6	270.8	270.6
Farm value (1967=100)	251.3	235.8	241.6	247.2	237.8	225.6	231.8	245.6	242.9	242.0
Farm-retail spread (1967=100)	292.4	304.0	299.0	296.7	303.3	315.7	306.3	297.7	303.4	304.1
Farm value/retail cost (%)	50.2	47.6	48.6	49.4	47.9	45.6	47.0	49.2	48.4	48.2
Dairy products										
Retail cost (1967=100)	247.0	250.0	253.2	250.9	254.9	256.1	257.2	258.4	258.8	259.2
Farm value (1967=100)	261.9	262.1	259.0	255.2	263.7	264.6	268.2	266.7	265.8	261.1
Farm-retail spread (1967=100)	233.9	239.3	248.0	247.2	247.2	248.6	247.6	251.1	252.7	257.5
Farm value/retail cost (%)	49.6	49.0	47.8	47.5	48.4	48.3	48.8	48.3	48.0	47.1
Poultry										
Retail cost (1967=100)	194.9	197.5	218.5	225.5	217.2	214.0	213.1	213.8	217.4	219.5
Farm value (1967=100)	201.9	213.0	251.7	265.9	244.3	236.3	251.0	244.2	245.1	228.2
Farm-retail spread (1967=100)	188.1	182.4	186.4	186.4	191.0	192.4	175.2	184.4	190.5	211.1
Farm value/retail cost (%)	50.7	53.1	56.6	58.0	55.3	54.3	58.2	56.2	55.5	51.1
Eggs										
Retail cost (1967=100)	178.7	187.1	209.0	270.3	178.8	177.8	175.6	185.7	161.3	169.7
Farm value (1967=100)	189.8	206.1	229.6	318.2	182.6	171.2	194.9	189.2	153.7	159.8
Farm-retail spread (1967=100)	162.7	159.5	179.2	201.0	172.8	187.3	147.7	180.6	172.2	184.0
Farm value/retail cost (%)	62.8	65.1	64.9	69.6	60.4	56.9	65.6	60.2	56.3	55.7
Cereal and bakery products										
Retail cost (1967=100)	283.4	292.5	305.3	300.3	307.9	308.7	309.0	310.7	312.4	313.7
Farm value (1967=100)	178.8	186.6	191.9	195.4	185.6	184.0	186.3	183.2	184.0	184.6
Farm-retail spread (1967=100)	305.1	314.0	328.8	322.0	333.2	334.5	334.4	337.1	339.0	340.4
Farm value/retail cost (%)	10.8	11.1	10.8	11.2	10.3	10.2	10.3	10.1	10.1	10.1
Fresh fruits										
Retail cost (1967=100)	323.2	303.6	345.3	305.5	388.5	377.5	366.5	353.5	361.5	382.9
Farm value (1967=100)	288.8	220.6	315.1	242.0	351.8	399.6	343.5	317.7	291.7	350.2
Farm-retail spread (1967=100)	338.7	340.8	358.9	334.0	405.0	367.6	376.8	369.7	392.8	397.6
Farm value/retail cost (%)	27.7	22.5	28.3	24.6	28.1	32.8	29.0	27.8	25.0	28.3
Fresh vegetables										
Retail costs (1967=100)	288.9	299.3	331.8	386.6	302.3	306.0	304.4	294.8	324.5	346.3
Farm value (1967=100)	261.3	267.4	299.3	360.1	272.8	255.4	215.7	216.8	250.7	256.4
Farm-retail spread (1967=100)	301.8	314.3	347.1	399.1	316.2	329.8	346.1	331.5	359.2	388.6
Farm value/retail cost (%)	28.9	28.6	28.9	29.8	28.8	26.7	22.7	23.5	24.7	23.7
Processed fruits and vegetables										
Retail cost (1967=100)	286.0	288.8	306.1	299.9	308.4	309.2	308.0	309.3	310.6	312.7
Farm value (1967=100)	321.1	300.5	343.2	317.4	349.4	359.1	364.2	364.5	364.3	369.7
Farm-retail spread (1967=100)	278.2	286.2	297.8	296.0	301.3	300.1	295.6	297.1	298.7	300.1
Farm value/retail costs (%)	20.4	18.9	20.3	19.2	20.5	21.1	21.4	21.4	21.3	21.4
Fats and oils										
Retail cost (1967=100)	259.9	263.1	288.0	281.1	295.1	294.9	293.0	293.7	295.7	295.1
Farm value (1967=100)	207.8	251.0	324.5	312.1	284.7	298.6	295.3	298.3	281.0	302.0
Farm-retail spread (1967=100)	279.9	267.8	273.9	269.2	299.1	293.5	291.9	291.9	301.4	292.5
Farm value/retail cost (%)	22.2	26.5	31.3	30.8	26.8	28.1	28.2	28.2	26.4	28.4

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in Food Consumption, Prices and Expenditure, Statistical Bulletin 713, ERS, USDA.

Farm-retail price spreads

	Annual			1984					1985	
	1982	1983	1984	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Beef, Choice										
Retail price ¹ (cts./lb.)	242.5	238.1	239.6	243.9	235.2	234.9	236.6	240.3	239.7	238.7
Net carcass value ² (cts.)	150.7	145.4	147.6	152.1	139.3	136.6	146.5	149.5	147.0	144.3
Net farm value ³ (cts.)	140.5	136.2	140.0	144.5	131.6	130.2	139.8	142.5	139.8	137.2
Farm-retail spread (cts.)	102.0	101.9	99.6	99.4	103.6	104.7	96.8	97.8	99.9	101.5
Carcass-retail spread ⁴ (cts.)	91.8	92.7	92.0	91.8	95.9	98.3	90.1	90.8	92.7	94.4
Farm-carcass spread ⁵ (cts.)	10.2	9.2	7.6	7.6	7.7	6.4	6.7	7.0	7.2	7.1
Farm value/retail price (%)	58	57	58	59	56	55	59	59	58	57
Pork										
Retail price ¹ (cts./lb.)	175.4	169.8	162.0	162.9	163.6	163.9	162.4	163.5	166.0	165.6
Wholesale value ² (cts.)	121.8	108.9	110.1	109.2	111.7	101.3	106.8	112.7	110.0	106.9
Net farm value ³ (cts.)	88.0	76.5	77.4	73.8	75.0	70.1	76.6	79.6	78.0	77.5
Farm-retail spread (cts.)	87.4	93.3	84.6	89.3	88.6	93.8	85.8	83.9	88.0	88.1
Wholesale-retail spread ⁴ (cts.)	53.6	60.9	51.9	53.7	51.9	62.6	55.6	50.8	56.0	58.7
Farm-wholesale spread ⁵ (cts.)	33.8	32.4	32.7	35.8	36.7	31.2	30.2	33.1	32.0	29.4
Farm value/retail price (%)	50	45	48	48	46	43	47	49	47	47

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS. ² Value of carcass quantity equivalent to 1 lb. of retail cuts: beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing, and transportation to city where consumed.

Livestock and Products

Poultry and eggs

	Annual			1984					1985	
	1982	1983	1984 p	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Broilers										
Federally inspected slaughter, certified (mil. lb.)	12,039	12,389	12,999	984.5	1,026.1	1,212.8	1,018.7	995.4	1,149.2	962.5
Wholesale price, 9-city, (cts./lb.) ¹	44.0	49.4	55.6	61.2	53.5	48.8	52.1	49.0	52.8	51.9
Price of broiler grower feed (\$/ton)	210	223	233	243	221	221	220	215	219	215
Broiler-feed price ratio (lb.) ¹	2.5	2.6	2.9	3.1	2.9	2.7	2.8	2.6	2.8	2.8
Broilers, stocks beginning of period (mil. lb.)	32.6	22.3	21.2	16.4	20.4	18.2	21.3	19.5	19.7	21.7
Average weekly placements of broiler chicks, 19 States (mil.)	80.2	80.4	83.1	81.2	80.1	78.5	79.0	84.4	85.8	86.4
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	2,459	2,563	2,574	139.0	255.4	320.8	271.7	182.8	157.6	144.2
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	60.8	60.5	74.4	64.7	76.2	82.6	91.5	97.3	74.0	65.6
Price of turkey grower feed (\$/ton)	229	247	245	256	239	232	225	220	216	216
Turkey-feed price ratio (lb.) ²	3.3	2.9	3.8	3.2	3.9	4.4	5.1	5.5	4.8	3.9
Turkeys, stocks beginning of period (mil. lb.)	238.4	203.9	161.8	145.8	331.0	390.6	415.4	195.6	125.3	124.1
Poults placed in U.S. (mil.)	(⁴)	181.8	190.0	15.3	8.7	10.7	11.9	12.1	15.5	16.3
Eggs										
Farm production (mil.)	69,680	68,169	68,193	5,323	5,619	5,852	5,742	6,037	5,951	5,292
Average number of layers on farms (mil.)	286	276	278	277	279	281	284	286	284	280
Rate of lay (eggs per layer)	243	247	245	19.2	20.1	20.8	20.2	21.1	20.9	18.9
Cartoned price, New York, grade A large (cts./doz.) ³	70.1	75.2	80.9	104.0	69.8	62.8	73.4	63.8	61.5	58.1
Price of laying feed (\$/ton)	190	204	206	217	198	194	190	187	189	189
Egg-feed price ratio (lb.) ³	6.1	6.1	6.9	8.6	5.9	5.7	6.5	6.2	5.5	5.8
Stocks, first of month										
Shell (thou. cases)	34	34	13	17	31	23	37	35	31	30
Frozen (mil. lb.)	23.7	25.4	11.8	11.4	16.6	16.7	17.9	16.2	13.4	14.9
Replacement chicks hatched (mil.)	444	407	45.9	37.5	33.1	31.4	30.1	27.1	28.3	28.5

¹ 12-city composite weighted average beginning April 25, 1983. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. ³ Price of cartoned eggs to volume buyers for delivery to retailers. ⁴ Not reported.

Meat animals

	Annual			1984					1985	
	1982	1983	1984	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	7,201	8,316	6,006	7,917	6,747	7,442	8,221	8,544	8,617	8,169
Placed on feed (thou. head)	20,261	19,727	20,772	1,301	2,265	2,546	1,945	1,624	1,452	1,342
Marketings (thou. head)	18,007	18,680	18,785	1,621	1,489	1,657	1,501	1,414	1,782	1,540
Other disappearance (thou. head)	1,139	1,354	1,376	82	81	110	121	137	118	94
Beef steer-corn price ratio,										
Omaha (bu.) ²	26.5	20.6	21.6	22.1	21.3	22.5	24.6	25.6	24.8	24.1
Hog-corn price ratio, Omaha (bu.) ²	22.9	15.9	16.1	15.3	16.0	16.4	18.4	19.6	18.8	18.7
Market prices (\$ per cwt.)										
Slaughter cattle:										
Choice steers, Omaha	64.22	62.37	65.34	67.07	62.68	60.85	64.29	65.32	64.35	62.80
Utility cows, Omaha	39.96	39.35	39.81	39.69	39.20	38.57	36.86	36.56	39.09	42.79
Choice vealers, S. St. Paul	77.70	72.97	63.95	77.50	52.50	53.37	50.00	50.00	52.00	62.19
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	64.82	63.70	65.28	66.45	63.98	65.06	65.42	66.28	68.42	69.08
Slaughter hogs:										
Barrows and glits, 7-markets	55.44	47.71	48.86	46.31	47.33	44.50	48.34	50.12	49.06	48.98
Feeder pigs:										
S. Mo., 40-50 lb., (per head)	51.14	34.03	39.12	43.48	34.95	33.23	36.62	35.58	44.85	44.02
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	56.44	57.40	62.18	58.75	64.75	64.75	65.75	65.25	65.12	67.58
Ewes, Good, San Angelo	21.80	16.85	20.90	30.40	18.31	20.30	21.83	30.17	37.25	35.12
Feeder lambs:										
Choice, San Angelo	53.31	54.87	61.02	60.15	59.56	65.17	71.00	69.00	72.31	72.06
Wholesale meat prices, Midwest										
Choice steer beef, 600-700 lb.	101.31	97.83	98.01	102.66	94.37	92.38	99.08	101.22	99.50	97.42
Canner and Cutter cow beef	78.96	78.48	74.70	79.45	70.75	70.27	67.84	70.31	76.26	80.52
Pork loins, 8-14 lb. ³	111.51	—	96.36	94.68	97.57	86.07	87.37	95.40	97.69	93.49
Pork bellies, 12-14 lb.	76.54	60.58	60.08	54.68	58.00	52.80	60.49	64.31	67.50	64.14
Hams, skinned, 14-17 lb.	91.47	75.60	78.22	68.80	75.78	79.38	99.75	90.86	72.86	74.11
Commercial slaughter (thou. head)*										
Cattle	35,843	36,649	37,570	2,971	3,039	3,478	3,086	2,944	3,278	2,776
Steers	17,277	17,486	17,474	1,432	1,376	1,511	1,352	1,255	1,523	1,291
Heifers	10,394	10,758	10,691	827	892	1,048	875	895	962	856
Cows	7,354	7,597	8,617	659	702	844	795	735	732	578
Bulls and stags	818	808	788	53	68	75	64	59	61	51
Calves	3,021	3,076	3,292	255	267	308	298	268	288	253
Sheep and lambs	6,449	6,619	6,758	561	548	608	541	530	567	484
Hogs	82,190	87,584	85,156	6,811	6,643	8,152	7,597	6,994	7,342	6,397
Commercial production (mil. lb.)										
Beef	22,366	23,058	23,410	1,859	1,904	2,162	1,924	1,830	2,066	1,768
Veal	423	429	477	36	39	46	43	39	42	37
Lamb and mutton	356	368	372	32	29	33	30	30	32	28
Pork	14,121	15,120	14,718	1,165	1,139	1,411	1,326	1,220	1,281	1,105

	Annual			1983					1985	
	1982	1983	1984	IV	I	II	III	IV	I	II
Cattle on feed (13-States)										
Number on feed (thou. head) ¹	9,028	10,271	9,908	8,465	9,908	9,340	8,700	9,000	10,635	—
Placed on feed (thou. head)	24,414	23,776	24,884	7,272	5,511	5,562	6,252	7,559	—	—
Marketings (thou. head)	21,799	22,548	22,525	5,436	5,714	5,620	5,684	5,507	² 6,066	—
Other disappearance (thou. head)	1,373	1,591	1,632	393	365	582	268	417	—	—
Hogs and pigs (10-States)⁴										
Inventory (thou. head) ¹	42,890	44,150	42,420	46,030	44,150	40,070	41,915	43,180	42,420	39,530
Breeding (thou. head) ¹	5,708	5,638	5,348	5,839	5,638	5,446	6,771	5,550	5,348	5,215
Market (thou. head) ¹	37,182	38,512	37,072	40,191	38,512	34,624	36,144	37,630	37,072	34,315
Farrowings (thou. head)	9,062	9,735	9,020	2,377	1,964	2,481	2,259	2,316	1,935	³ 2,366
Pig crop (thou. head)	66,797	72,733	67,680	17,663	14,288	18,814	17,158	17,420	14,538	—

¹ Beginning of period. ² Bushels of corn equal in value to 100 pounds liveweight. ³ Beginning January 1984 prices are for 14-17 lbs. ⁴ Quarters are Dec. preceding year: Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). ⁵ Intentions. *Classes estimated.

Dairy

	Annual			1984					1985	
	1982	1983	1984	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	12.49	12.49	12.29	12.06	12.64	12.64	12.72	12.52	12.40	12.21
Price of 16% dairy ration (\$/ton)	177	188	191	201	184	179	177	176	177	174
Milk-feed price ratio (lb.) ²	1.54	1.45	1.41	1.33	1.48	1.56	1.62	1.59	1.58	1.57
Wholesale prices										
Butter, Grade A Chi. (cts./lb.)	147.7	147.3	148.8	148.2	158.1	158.1	158.1	145.6	141.5	141.2
Am. cheese, Wis. assembly pt. (cts./lb.)	138.3	138.3	138.0	135.5	144.3	143.8	139.7	137.5	136.5	134.3
Nonfat dry milk, (cts./lb.) ³	93.2	93.2	90.9	90.7	90.7	90.7	91.7	91.5	91.0	90.6
USDA net removals										
Total milk equiv. (mil. lb.) ⁴	14,281.6	16,813.7	8,644.7	1,398.2	46.5	102.5	70.3	397.2	1,374.8	1,383.9
Butter (mil. lb.)	382.0	413.2	202.6	47.2	-2.4	-3	.5	10.5	50.0	44.6
Am. cheese (mil. lb.)	642.5	832.8	447.3	42.4	9.3	10.7	6.0	18.1	34.6	46.1
Nonfat dry milk (mil. lb.)	948.1	1,061.0	678.4	64.0	29.4	36.9	24.1	36.0	58.8	54.9
Milk										
Total milk production (mil. lb.)	135,505	139,672	135,444	10,855	10,777	10,918	10,529	10,967	11,209	10,566
Milk per cow (lb.)	12,306	12,585	12,495	995	996	1,009	973	1,014	1,038	977
Number of milk cows (thou.)	11,011	11,098	10,840	10,910	10,825	10,821	10,823	10,814	10,801	10,811
Stocks, beginning⁵										
Total (mil. lb.)	18,377	20,054	22,646	22,939	21,805	20,742	19,252	17,993	16,429	15,812
Commercial (mil. lb.)	5,398	4,603	5,234	5,239	5,439	5,168	4,996	4,798	4,937	5,119
Government (mil. lb.)	12,980	15,451	17,412	17,700	16,367	15,573	14,255	13,195	11,492	10,693
Imports, total (mil. lb.) ⁶	2,477	2,616	2,741	150	223	252	287	296	213	n.a.
Commercial disappearance										
milk equiv. (mil. lb.)	122,135	122,494	126,234	9,233	10,781	10,789	10,624	10,451	9,647	n.a.
Butter										
Production (mil. lb.)	1,257.0	1,299.2	1,120.1	113.0	69.1	86.5	81.1	97.3	118.4	107.5
Stocks, beginning (mil. lb.)	429.2	466.8	499.4	510.6	462.7	426.3	374.3	335.9	296.6	277.3
Commercial disappearance (mil. lb.)	897.3	881.7	918.9	59.3	75.9	91.4	85.6	80.1	69.7	n.a.
American cheese										
Production (mil. lb.)	2,752.3	2,927.6	2,696.9	221.4	185.2	196.6	190.9	210.1	223.1	201.7
Stocks, beginning (mil. lb.)	889.1	981.4	1,161.5	1,165.2	1,141.4	1,114.1	1,074.3	1,036.2	960.5	936.1
Commercial disappearance (mil. lb.)	2,166.8	2,083.2	2,302.3	184.3	192.1	193.0	189.8	194.4	174.6	n.a.
Other cheese										
Production (mil. lb.)	1,789.4	1,890.8	1,991.5	147.7	164.2	181.0	180.8	182.1	167.5	153.6
Stocks, beginning (mil. lb.)	86.6	82.8	104.9	108.7	102.5	97.0	98.6	98.4	101.4	103.2
Commercial disappearance (mil. lb.)	2,044.6	2,133.3	2,276.8	165.1	192.9	206.0	209.2	211.4	181.6	n.a.
Nonfat dry milk										
Production (mil. lb.)	1,400.5	1,499.9	1,186.9	105.0	71.7	72.2	69.7	85.2	88.4	91.1
Stocks, beginning (mil. lb.)	889.7	1,282.0	1,394.9	1,413.3	1,345.1	1,335.1	1,291.6	1,263.9	1,231.7	1,150.3
Commercial disappearance (mil. lb.)	447.7	459.9	523.9	44.4	48.1	45.3	50.7	26.6	35.5	n.a.
Frozen dessert production (mil. gal.)⁷										
	1,178.2	1,221.3	1,228.3	89.5	103.4	94.5	83.6	75.0	79.5	80.7

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Prices paid f.o.b. Central States production area, high heat spray process. ⁴ Milk-equivalent, fat-basis. ⁵ Ice cream, ice milk, and sherbet. n.a. = not available.

Wool

	Annual			1984					1985	
	1982	1983	1984	Feb	Sept	Oct	Nov	Dec	Jan	Feb
U.S. wool price, Boston ¹ (cts./lb.)	247	212	229	230	230	221	218	214	205	195
Imported wool price, Boston ² (cts./lb.)	262	248	241	254	228	230	235	230	226	210
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	105,857	126,729	130,495	12,082	11,422	8,651	9,085	9,497	9,452	n.a.
Carpet wool (thou. lb.)	9,825	11,400	9,817	780	728	968	674	599	995	n.a.

¹ Wool Price delivered at U.S. mills, clean basis. Graded Territory 64's (20.60-22.04 microns) staple 2 3/4" and up. ² Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. n.a. = not available.

Crops and Products

Food grains

	Marketing year ¹			1984					1985	
	1981/82	1982/83	1983/84	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale prices										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ³	4.27	3.94	3.83	3.71	3.89	3.86	3.85	3.76	3.76	3.74
Wheat, DNS, Minneapolis (\$/bu.) ²	4.17	3.94	4.21	4.06	3.57	3.64	3.64	3.48	3.47	3.52
Rice, S.W. La. (\$/cwt.) ³	20.20	18.00	19.38	19.25	19.25	19.25	18.00	18.00	18.00	18.00
Wheat										
Exports (mil. bu.)	1,771	1,509	1,429	116	246	141	100	134	109	93
Mill grind (mil. bu.)	631	656	694	58	55	58	56	53	57	n.a.
Wheat flour production (mil. cwt.)	280	292	308	25	24	26	25	23	26	n.a.

	Marketing year ¹			1983			1984			
	1981/82	1982/83	1983/84	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Wheat										
Stocks, beginning (mil. bu.)	989	1,159	1,515	1,862	1,515	2,955	2,326	1,756	1,398	2,740
Domestic use										
Food (mil. bu.)	602	616	635	97	210	161	163	102	212	165
Feed and seed (mil. bu.) ⁴	254	316	477	12	316	118	44	31	395	63
Exports (mil. bu.)	1,771	1,509	1,429	228	475	362	364	226	645	374

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual. n.a. = not available.

Feed grains

	Marketing year ¹			1984					1985	
	1981/82	1982/83	1983/84	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale prices										
Corn, No. 2 yellow, St. Louis (\$/bu.)	2.61	2.98	3.45	3.31	3.09	2.84	2.77	2.75	2.86	2.84
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.29	4.96	5.13	5.03	4.46	4.25	4.28	4.32	4.48	4.33
Barley, feed, Minneapolis (\$/bu.)	2.21	1.76	2.48	2.56	2.05	2.10	2.06	1.88	1.98	1.99
Barley, malting, Minneapolis (\$/bu.)	3.06	2.53	2.84	2.76	2.44	2.43	2.45	2.36	2.46	2.47
Exports										
Corn (mil. bu.)	1,967	1,870	1,865	159	109	155	246	208	209	167
Feed grains (mil. metric tons) ²	58.4	54.0	55.8	4.8	3.8	5.1	7.1	6.2	6.2	5.3
	Marketing year ¹			1983			1984			
	1981/82	1982/83	1983/84	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Corn										
Stocks, beginning (mil. bu.)	1,034	2,174	3,120	6,198	4,924	3,120	4,913	3,251	2,145	723
Domestic use:										
Feed (mil. bu.)	4,202	4,522	3,736	813	691	1,634	969	580	553	1,729
Food, seed, ind. (mil. bu.)	812	898	973	153	373	220	184	187	383	235
Feed grains³										
Stocks, beginning (mil. metric tons)	34.6	68.2	97.3	184.2	146.4	108.0	154.9	104.3	70.6	44.1
Domestic use:										
Feed (mil. metric tons)	128.5	139.5	117.4	24.4	29.6	49.3	29.4	18.1	20.3	54.6
Food, seed, ind. (mil. metric tons)	25.8	27.9	29.8	5.2	11.0	6.6	5.9	6.1	11.2	7.1

¹ Beginning October 1 for corn and sorghum, June 1 for oats and barley. ² Aggregated data for corn, sorghum, oats, and barley.

Fats and oils

	Marketing year ¹			1984					1985	
	1981/82	1982/83	1983/84	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Soybeans										
Wholesale price, No. 1 yellow,										
Chicago (\$/bu.) ²	6.24	6.11	7.78	7.21	6.10	6.21	6.20	5.97	5.95	5.88
Crushings (mil. bu.)	1,029.7	1,108.0	983	79.2	65.6	89.2	98.9	101.1	94.5	80.8
Exports (mil. bu.)	929.1	905.2	740.3	79.7	18.9	40.9	93.4	87.3	72.5	80.6
Soybean oil										
Wholesale price, crude, Decatur (cts./lb.)	19.0	20.6	30.55	27.23	27.97	30.56	31.71	28.44	28.01	29.64
Production (mil. lb.)	10,979.4	12,040.4	10,872.0	896.9	755.8	995.4	1,070.2	1,095.5	1,027.4	878.9
Domestic disappearance (mil. lb.)	9,536.3	9,857.3	9,598	931.2	750.1	918.4	872.7	708.8	854.4	840.3
Exports (mil. lb.)	2,076.3	2,024.7	1,814	289.8	156.3	200.3	214.6	189.6	66.7	198.3
Stocks, beginning (mil. lb.)	1,736.1	1,102.5	1,261	1,907.1	871.1	720.5	597.2	580.1	777.1	883.5
Soybean meal										
Wholesale price, 44% protein, Decatur (\$/ton)	182.52	187.10	188.21	184.40	144.9	141.6	135.2	136.75	135.2	125.25
Production (thou. ton)	24,634.4	26,713.6	22,756.2	1,872.2	1,559.0	2,107.6	2,326.1	2,381.0	2,242.5	1,893.9
Domestic disappearance (thou. ton)	17,714.4	19,306.0	17,541.0	1,323.3	1,380.2	1,870.7	1,801.7	1,694.2	1,747.8	1,448.8
Exports (thou. ton)	5,907.5	7,108.7	5,436.1	576.0	166.1	256.2	474.7	635.7	515.3	431.8
Stocks, beginning (thou. ton)	162.7	175.2	474	475.8	242.7	255.4	236.1	285.7	336.8	319.6
Margarine, wholesale price, Chicago (cts./lb.)	41.4	41.4	46.3	52.50	55.2	53.50	55.00	55.25	51.50	52.50

¹ Beginning September 1 for soybeans; October 1 for soybean meal and oil; calendar year for margarine. ² Beginning April 1, 1982. Prices based on 30-day delivery, using upper end of the range.

Cotton

	Marketing year ¹			1984					1985	
	1981/82	1982/83	1983/84	Feb	Sept	Oct	Nov	Dec	Jan	Feb
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	60.5	63.1	73.1	71.4	61.2	61.5	60.4	60.5	60.0	58.6
Northern Europe prices:										
Index (cts./lb.) ³	73.8	76.7	67.6	87.4	73.1	73.63	72.6	72.0	71.4	69.2
U.S. M 1-3/32" (cts./lb.) ⁴	75.9	78.0	87.1	85.4	74.0	74.69	73.3	74.0	74.7	72.9
U.S. mill consumption (thou. bales)	5,263.8	5,512.8	5,883.5	469.6	516.7	434.6	394.9	426.8	404.9	419.4
Exports (thou. bales)	6,567.3	5,206.8	6,786.0	758.5	279.8	307.0	507.0	660.0	835.6	810.6

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" Index: average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Fruit

	Annual			1984					1985	
	1982	1983	1984	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Producer price indexes										
Fresh fruit (1967=100)	235.4	250.6	260.1	232.2	301.5	272.5	261.0	269.7	255.5	285.1
Dried fruit (1967=100)	409.7	409.3	384.4	404.6	360.5	351.1	353.2	353.2	353.1	355.8
Canned fruit and juice (1967=100)	283.7	286.8	312.5	311.0	311.1	316.8	314.0	315.9	319.9	323.4
Frozen fruit and juice (1967=100)	305.5	300.9	350.5	339.9	358.0	365.7	363.5	361.8	361.5	372.0
F.o.b. shipping point prices										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	*12.00	14.50	13.75	12.80	12.50	12.25	*14.00
Pears, Yakima Valley (\$/box) ²	n.a.	n.a.	n.a.	8.33	12.60	12.65	12.70	12.88	12.83	*15.13
Oranges, U.S. avg. (\$/box) ³	11.10	14.40	15.40	12.30	22.36	25.32	19.00	18.41	17.81	18.97
Grapefruit, U.S. avg. (\$/box) ³	9.03	9.13	10.00	9.97	10.88	12.36	11.12	11.34	11.11	13.18
	Year ending			1984					1985	
	1982	1983	1984	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Stocks, ending										
Fresh apples (mil. lb.)	3,082.3	2,980.1	3,171.5	1,887.5	1,235.5	4,154.1	3,808.9	3,171.5	2,464.2	1,858.5
Fresh pears (mil. lb.)	180.9	250.6	184.9	172.7	396.1	303.6	243.5	180.8	134.2	89.9
Frozen fruit (mil. lb.)	627.5	644.7	694.5	534.5	704.8	771.4	734.1	690.5	623.6	567.7
Frozen fruit juices (mil. lb.)	1,157.6	924.9	941.9	1,309.9	913.2	873.5	891.6	964.9	1,195.6	1,413.3

¹ Red Delicious, Washington, extra fancy, carton tray pack, 80-113's. ² D'Anjou, Washington, standard box wrapped, U.S. No. 1, 90-135's. ³ F.O.B., packed fresh. ⁴ Control atmosphere storage. n.a. = not available.

Vegetables

	Annual			1984					1985	
	1982	1983	1984	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale prices										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	6.05	7.76	8.16	9.23	6.79	5.33	5.44	5.53	5.55	6.15
Iceberg lettuce (\$/crt.) ¹	5.92	6.29	5.08	4.27	6.65	9.50	3.75	5.60	7.75	4.31
Tomatoes (\$/crt.) ²	7.40	8.69	8.52	15.25	6.38	4.46	4.39	5.25	9.56	11.00
Wholesale price index, 10 canned										
veg. (1977=100)	137	137	145	143	146	147	144	144	154	152
Grower price index, fresh commercial										
veg. (1977=100)	120	129	133	178	126	140	96	108	126	125

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Tobacco

	Annual			1984					1985	
	1982	1983	1984	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Prices at auctions										
Flue-cured (cts./lb.) ¹	178.6	177.9	181.0	—	188.0	184.5	172.0	—	—	—
Burley (cts./lb.) ¹	180.3	179.5	187.6	1.70	—	—	188.0	187.5	187.5	1.86
Domestic consumption²										
Cigarettes (bil.)	634.0	600.0	593.0	54.1	53.5	65.4	57.5	42.9	n.a.	n.a.
Large cigars (mil.)	3.659	3.605	3,540	257.6	303.5	320.1	261.7	277.4	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. n.a. = not available.

Sugar

	Annual			1984					1985	
	1982	1983	1984	Feb	Sept	Oct	Nov	Dec	Jan	Feb
U.S. raw sugar price, N.Y. (cts./lb.)¹										
U.S. deliveries (thou. short tons) ²	9,153	8,812	8,435	n.a.	2,231	n.a.	n.a.	2,059	n.a.	n.a.

¹ Spot price reported by (New York) Coffee, Sugar & Cocoa Exchange, Inc. ² Raw value. Quarterly data shown at end of quarter in March, June, Sept., & Dec. Excludes Hawaii. n.a. = not available.

Coffee

	Annual			1984					1985	
	1982	1983	1984 p	Feb	Sept	Oct	Nov	Dec	Jan p	Feb p
Composite green price, N.Y. (cts./lb.)										
Imports, green bean equivalent (mil.lb.) ² .	2,352	2,260	2,414	179	194	218	150	160	226	229F
	Annual			1983		1984			1985	
	1982	1983	1984 p	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec p	Jan-Mar p
Roastings (mil. lb.) ²	2,293	2,238	2,287	549	650	575	518	557	637	580F

¹ Green and processed coffee. ² Instant soluble and roasted coffee. F = Forecast. p = preliminary.

Supply and Utilization: Crops

Supply and utilization: domestic measure¹

	Area		Yield	Production	Total supply ²	Feed and residual	Other domestic use	Ex. ports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		Bu/acre				Mil. bu				\$/bu
Wheat											
1980/81	80.8	71.1	35.5	2,381	3,286	60	723	1,514	2,297	989	3.91
1981/82	88.3	80.6	34.5	2,765	3,777	135	712	1,771	2,618	1,159	3.85
1982/83*	86.2	77.9	35.5	2,765	3,932	195	713	1,509	2,417	1,515	3.55
1983/84*	76.4	61.4	39.4	2,420	3,939	376	735	1,429	2,540	1,399	3.53
1984/85*	79.2	66.9	38.8	2,595	4,001	375	735	1,450	2,560	1,441	3.35-3.40
	Mil. acres		lb/acre				Mil. cwt (rough equiv.)				\$/cwt
Rice											
1980/81	3.38	3.31	4,413	146.2	172.1	79.7	54.5	91.4	155.6	16.5	12.80
1981/82	3.83	3.79	4,819	182.7	199.6	79.0	59.6	82.0	150.6	49.0	9.05
1982/83*	3.30	3.26	4,710	153.6	203.4	78.9	54.0	68.9	131.8	71.5	8.11
1983/84*	2.19	2.17	4,598	99.7	171.9	55.6	49.1	70.3	125.0	46.9	8.50
1984/85*	2.80	2.78	4,926	137.0	185.0	55.0	53.7	62.0	120.7	64.3	8.00-8.50
	Mil. acres		Bu/acre				Mil. bu				\$/bu
Corn											
1980/81	84.0	73.0	91.0	6,639	8,258	4,133	735	2,355	7,223	1,034	3.11
1981/82	84.1	74.5	108.9	8,119	9,154	4,202	612	1,967	6,980	2,174	2.50
1982/83*	81.9	72.7	113.2	8,235	10,410	4,522	898	1,870	7,290	3,120	2.68
1983/84*	60.2	51.5	81.1	4,175	7,297	3,736	973	1,865	6,574	723	3.25
1984/85*	80.4	71.8	106.6	7,656	8,381	4,200	1,050	1,950	7,200	1,181	2.60-2.70
	Mil. acres		Bu/acre				Mil. bu				\$/bu
Sorghum											
1980/81	15.6	12.5	46.3	579	726	301	11	305	617	109	2.94
1981/82	15.9	13.7	64.0	876	984	428	11	249	688	296	2.39
1982/83*	16.0	14.1	59.1	835	1,131	507	10	214	731	400	2.52
1983/84*	11.9	10.0	48.7	488	888	381	10	246	637	251	2.84
1984/85*	17.2	15.3	56.4	866	1,117	500	10	275	785	332	2.30-2.40
	Mil. acres		Bu/acre				Mil. bu				\$/bu
Barley											
1980/81	8.3	7.3	49.7	361	563	174	175	77	426	137	2.88
1981/82	9.6	9.0	52.4	474	620	198	174	100	473	148	2.45
1982/83*	9.5	9.0	57.2	516	675	241	170	47	458	217	2.22
1983/84*	10.4	9.7	52.3	509	733	283	169	92	544	189	2.50
1984/85*	11.9	11.2	53.4	597	796	275	175	90	540	256	2.25-2.35
	Mil. acres		Bu/acre				Mil. bu				\$/bu
Oats											
1980/81	13.4	8.7	53.0	459	697	432	74	13	520	177	1.79
1981/82	13.6	9.4	54.2	510	688	453	76	7	536	152	1.89
1982/83*	14.0	10.3	57.8	593	749	441	85	3	529	220	1.49
1983/84*	20.3	9.1	52.6	477	727	466	78	2	546	181	1.67
1984/85*	12.4	8.1	58.1	472	688	440	80	1	521	167	1.65-1.75
	Mil. acres		Bu/acre				Mil. bu				\$/bu
Soybeans											
1980/81	70.0	67.9	26.4	1,792	2,151	*89	1,020	724	1,833	318	7.57
1981/82	67.8	66.4	30.1	2,000	2,318	*93	1,030	929	2,052	266	6.04
1982/83*	70.9	69.4	31.5	2,190	2,444	*86	1,108	905	2,099	345	5.69
1983/84*	63.8	62.5	26.2	1,636	1,981	*82	983	740	1,806	176	7.75
1984/85*	67.7	66.1	28.2	1,861	2,037	*87	1,015	710	1,812	225	6.00-7.20
							Mil. lbs				c/lb
Soybean oil											
1980/81	—	—	—	11,270	12,480	—	9,113	1,631	10,744	1,736	22.7
1981/82	—	—	—	10,879	12,715	—	9,535	2,077	11,612	1,103	19.0
1982/83*	—	—	—	12,041	13,144	—	9,858	2,025	11,883	1,261	20.6
1983/84*	—	—	—	10,872	12,133	—	9,598	1,814	11,412	721	30.6
1984/85*	—	—	—	11,324	12,045	—	9,700	1,700	11,400	645	26.0-32.0
							Thou. tons				\$/ton
Soybean meal											
1980/81	—	—	—	24,312	24,538	—	17,591	6,784	24,375	163	218
1981/82	—	—	—	24,534	24,797	—	17,714	6,908	24,622	175	183
1982/83*	—	—	—	26,714	26,889	—	19,306	7,109	26,415	474	187
1983/84*	—	—	—	22,758	23,232	—	17,541	5,436	22,977	255	188
1984/85*	—	—	—	24,265	24,520	—	19,150	4,800	23,950	570	145-165

See footnotes at end of table.

Supply and utilization—domestic measure, continued

	Area		Yield	Production	Total supply ¹	Feed and resid- ual	Other domestic use	Ex- ports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mill. acres	lb/acre									
Cotton											
1980/81	14.5	13.2	404	11.1	14.1	—	5.9	5.9	11.8	\$2.7	74.4
1981/82	14.3	13.8	542	15.6	18.3	—	5.3	6.6	11.8	\$6.6	54.0
1982/83*	11.3	9.7	590	12.0	18.6	—	5.5	5.2	10.7	\$7.9	59.4
1983/84*	7.9	7.3	508	7.8	15.7	—	5.9	6.8	12.7	\$2.8	66.4
1984/85*	11.1	10.4	599	13.0	15.8	—	5.3	6.5	11.8	\$4.0	—

Supply and utilization—metric measure⁶

	Area		Yield	Production	Total supply ¹	Feed and resid- ual	Other domestic use	Ex- ports	Total use	Ending stocks	Farm price ³
	Mill. hectares	Metric tons/ha									
Wheat											
1980/81	32.7	28.8	2.39	64.8	89.4	1.6	19.7	41.2	62.5	26.9	143
1981/82	35.7	32.6	2.32	75.8	102.8	3.7	19.4	48.2	71.3	31.5	134
1982/83*	34.9	31.5	2.39	75.3	107.0	5.3	19.4	41.1	65.8	41.2	130
1983/84*	30.9	24.8	2.65	65.9	107.2	10.2	20.0	38.9	69.1	38.1	130
1984/85*	32.1	27.1	2.61	70.6	108.8	10.2	20.0	39.5	69.7	39.2	125-130
Rice											
1980/81	1.4	1.3	4.95	6.6	7.8	10.4	2.5	4.2	7.1	0.7	282
1981/82	1.5	1.5	5.40	8.3	9.0	10.4	2.7	3.7	6.8	2.2	200
1982/83*	1.3	1.3	5.28	7.0	9.2	10.4	2.5	3.1	6.0	3.2	179
1983/84*	0.9	0.9	5.15	4.5	7.8	10.2	2.2	3.2	5.7	2.1	187
1984/85*	1.1	1.1	5.52	6.2	8.4	10.3	2.4	2.8	5.5	2.9	176-187
Corn											
1980/81	34.0	29.5	5.72	188.6	209.8	105.0	16.7	59.8	183.5	26.3	122
1981/82	34.0	30.1	6.85	206.2	232.5	106.7	20.6	50.0	177.3	55.2	98
1982/83*	33.1	29.4	7.12	209.2	264.4	114.9	22.8	47.5	185.2	79.3	106
1983/84*	24.4	20.8	5.10	106.0	185.3	94.9	24.7	47.3	167.0	18.4	128
1984/85*	32.5	29.1	6.68	194.5	212.9	106.7	26.6	49.5	182.9	29.9	102-106
Feed Grain											
1980/81	49.1	41.1	4.82	198.0	250.7	123.0	23.8	69.3	216.1	34.6	—
1981/82	49.9	43.1	5.71	246.2	281.1	128.5	25.8	58.6	212.9	68.2	—
1982/83*	49.1	42.9	5.83	250.2	318.7	139.4	28.0	54.0	221.4	97.3	—
1983/84*	41.6	32.5	4.20	136.4	234.4	117.5	29.8	55.7	202.9	31.5	—
1984/85*	49.3	43.1	5.48	236.3	268.6	131.8	31.9	58.5	222.1	46.4	—
Soybeans											
1980/81	28.3	27.5	1.78	48.8	58.5	42.4	27.8	19.7	49.9	8.7	278
1981/82	27.4	26.9	2.03	54.4	63.1	42.5	28.0	25.3	55.8	7.2	222
1982/83*	28.7	28.1	2.15	59.6	66.5	42.4	30.2	24.6	57.1	9.4	209
1983/84*	25.8	25.3	1.23	44.5	53.9	42.2	26.8	20.1	49.1	4.8	285
1984/85*	27.4	26.7	1.14	50.6	55.4	42.4	27.6	19.3	49.3	6.1	210-265
Soybean oil											
1980/81	—	—	—	5.11	5.66	—	4.13	.74	4.87	.79	500
1981/82	—	—	—	4.98	5.77	—	4.33	.94	5.27	.50	419
1982/83*	—	—	—	5.46	5.96	—	4.47	.92	5.39	.57	454
1983/84*	—	—	—	4.93	5.50	—	4.35	.82	5.17	.32	675
1984/85*	—	—	—	5.14	5.48	—	4.39	.77	5.17	.10	550-685
Soybean meal											
1980/81	—	—	—	22.06	22.26	—	15.96	6.15	22.11	.15	241
1981/82	—	—	—	22.36	22.51	—	16.08	6.27	22.35	.16	201
1982/83*	—	—	—	24.24	24.39	—	17.52	6.45	23.96	.43	206
1983/84*	—	—	—	20.65	21.08	—	15.91	4.93	20.84	.23	207
1984/85*	—	—	—	22.01	22.24	—	17.37	4.35	21.73	.52	160-185
Cotton											
1980/81	5.9	5.3	.46	2.42	3.07	—	1.28	1.28	2.56	\$1.59	1.64
1981/82	5.8	5.7	.60	3.41	3.99	—	1.15	1.43	2.58	\$1.44	1.19
1982/83*	4.6	3.9	.66	2.60	4.05	—	1.20	1.13	2.33	\$1.73	1.31
1983/84*	3.2	3.0	.57	1.69	3.42	—	1.29	1.48	2.77	\$1.60	1.46
1984/85*	4.5	4.2	.67	2.83	3.44	—	1.15	1.41	2.57	\$1.87	—

*April 10, 1985 Supply and Demand Estimates. ¹Marketing year beginning June 1 for wheat, barley, and oats; August 1 for cotton and rice; September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. ²Includes imports. ³Season average. ⁴Includes seed. ⁵Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁶Conversion factors: Hectare (ha.) = 2.471 acres. 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 68.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁷Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual		1983		1984			
	1982	1983	1984 r	IV	I	II	III	IV r
\$ Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product¹	3,069.3	3,304.8	3,662.8	3,431.7	3,553.3	3,644.7	3,694.6	3,758.7
Personal consumption expenditures	1,984.9	2,155.9	2,341.8	2,230.2	2,276.5	2,332.7	2,361.4	2,396.5
Durable goods	245.1	279.8	318.8	299.8	310.9	320.7	317.2	326.3
Nondurable goods	757.5	801.7	856.9	823.0	841.3	858.3	861.4	866.5
Clothing and shoes	118.8	127.0	140.2	132.5	136.1	142.2	139.3	143.2
Food and beverages	392.8	416.5	444.3	425.1	433.9	442.1	448.6	449.4
Services	982.2	1,074.4	1,166.1	1,107.5	1,124.4	1,153.7	1,182.8	1,203.9
Gross private domestic								
Investment	414.9	471.6	637.8	540.0	623.8	627.0	662.8	637.8
Fixed investment	441.0	485.1	579.6	527.3	550.0	576.4	591.0	601.1
Nonresidential	349.6	352.9	425.7	383.9	398.8	420.8	435.7	447.7
Residential	91.4	132.2	153.9	143.4	151.2	155.8	155.3	153.5
Change in business inventories	-26.1	-13.5	58.2	12.7	73.8	50.6	71.8	36.6
Net exports of goods and services	19.0	-8.3	-64.2	-29.8	-51.5	-58.7	-90.6	-56.0
Exports	348.4	336.2	364.3	346.1	358.9	362.4	368.6	367.2
Imports	329.4	344.4	428.5	375.9	410.4	421.1	459.3	423.2
Government purchases of								
goods and services	650.5	685.5	747.4	691.4	704.4	743.7	761.0	780.5
Federal	258.9	269.7	295.4	266.3	267.6	296.4	302.0	315.7
State and local	391.5	415.8	452.0	425.1	436.8	447.4	458.9	464.8
1972 \$Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product	1,480.0	1,534.7	1,639.3	1,572.7	1,610.9	1,638.8	1,645.2	1,662.4
Personal consumption expenditures	963.3	1,009.2	1,062.4	1,032.4	1,044.1	1,064.2	1,065.9	1,075.4
Durable goods	140.5	157.5	178.0	167.2	173.7	178.6	177.0	182.4
Nondurable goods	363.1	376.3	393.5	383.2	387.1	396.6	395.5	395.0
Clothing and shoes	84.2	88.5	96.5	91.4	94.2	99.1	95.9	96.9
Food and beverages	182.3	188.9	193.4	191.2	189.7	193.6	195.6	194.7
Services	459.8	475.4	490.8	482.0	483.4	488.9	493.5	497.5
Gross private domestic investment	194.3	221.0	289.9	249.5	265.5	283.9	300.2	289.9
Fixed investment	204.7	224.6	265.1	242.2	253.9	263.7	269.6	273.1
Nonresidential	166.9	171.0	204.9	184.5	193.3	202.9	209.5	213.8
Residential	37.9	53.7	60.2	57.6	60.6	60.8	60.1	59.2
Change in business inventories	-10.4	-3.6	24.6	7.2	31.6	20.3	30.6	16.8
Net exports of goods and services	29.7	12.6	-15.0	2.0	-8.3	-11.4	-27.0	-13.4
Exports	147.6	139.5	146.0	141.0	144.9	144.7	147.4	147.1
Imports	118.0	126.9	161.1	139.1	153.2	156.2	174.4	160.5
Government purchases of								
goods and services	292.7	291.9	302.1	288.8	289.5	302.1	306.1	310.5
Federal	117.0	116.2	122.5	113.0	112.2	123.2	125.0	129.6
State and local	175.7	175.7	179.6	175.8	177.3	178.9	181.1	180.9
New plant and equipment expenditures (\$bil.)	282.7	146.4	168.2	154.7	161.8	165.9	171.5	173.5
Implicit price deflator for GNP (1972=100)	207.38	215.34	223.43	218.21	220.58	222.40	224.57	226.10
Disposable income (\$bil.)	2,180.5	2,340.1	2,576.8	2,428.6	2,502.2	2,554.3	2,606.4	2,644.5
Disposable income (1972 \$bil.)	1,058.3	1,095.4	1,169.0	1,124.3	1,147.6	1,165.3	1,176.5	1,186.7
Per capita disposable income (\$)	9,385	9,977	10,887	10,318	10,608	10,806	11,000	11,133
Per capita disposable income (1972 \$)	4,555	4,670	4,939	4,776	4,865	4,930	4,965	4,996
U.S. population, total, incl. military abroad (mil.)	232.3	234.5	236.7	235.4	235.9	236.4	237.0	237.6
Civilian population (mil.)	230.2	232.3	234.4	233.2	233.7	234.2	234.8	235.3

See footnotes at end of next table.

Selected monthly indicators

	Annual			1984					1985	
	1982	1983	1984 p	Feb	Sept	Oct	Nov	Dec	Jan	Feb p
Monthly data seasonally adjusted except as noted										
Industrial production, total ¹ (1967=100)	138.6	147.6	163.3	160.0	165.0	164.4	164.8	165.0	165.5	164.7
Manufacturing (1967=100)	137.6	148.2	164.8	161.4	166.6	166.2	166.6	166.9	167.0	166.3
Durable (1967=100)	124.7	134.5	154.7	150.5	157.1	157.1	157.6	158.0	158.2	157.5
Nondurable (1967=100)	156.2	168.1	179.4	177.2	180.3	179.4	179.6	179.7	179.7	179.2
Leading economic indicators ^{1,2} (1967=100)	136.8	156.0	165.7	166.5	165.6	164.1	164.9	164.0	166.4	167.5
Employment ⁴ (mil. persons)	99.5	100.8	106.0	103.9	105.4	105.6	105.9	106.3	106.4	106.7
Unemployment rate ⁴ (%)	9.7	9.6	7.5	7.8	7.4	7.3	7.1	7.2	7.4	7.3
Personal income ¹ (\$ bil. annual rate)	2,584.6	2,744.2	3,012.1	2,923.5	3,068.3	3,079.3	3,097.5	3,111.8	3,130.9	3,141.2
Hourly earnings in manufacturing ^{4,5} (\$)	8.49	8.83	9.17	9.06	9.22	9.22	9.30	9.38	9.42	9.42
Money stock-M1 (daily avg.) (\$bil.) ³	*480.8	*528.0	*558.5	534.2	551.5	548.3	553.8	558.5	562.7	569.2
Money stock-M2 (daily avg.) (\$bil.) ³	*1,954.9	*2,188.8	*2,371.4	2,216.9	2,308.2	2,318.7	2,345.9	2,371.8	2,399.3	2,420.6
Three-month Treasury bill rate ³ (%)	10.686	8.63	9.58	9.03	10.41	9.97	8.79	8.18	7.76	8.22
Aaa corporate bond yield (Moody's) ^{3,7} (%)	13.79	12.04	12.71	12.08	12.66	12.63	12.29	12.13	12.08	12.13
Interest rate on new home mortgages ^{8,9} (%)	15.14	12.57	12.38	12.23	12.53	12.77	12.75	12.55	12.27	12.19
Housing starts, private (incl. farm) (thou.)	1,062	1,703	1,750	2,208	1,669	1,564	1,600	1,630	1,841	1,838
Auto sales at retail, total ¹ (mil.)	8.0	9.2	10.4	10.6	10.3	9.7	9.8	11.0	11.1	11.0
Business sales, total ¹ (\$ bil.)	344.8	368.9	411.8	401.8	413.1	413.5	414.5	418.5	415.5p	—
Business inventories, total ¹ (\$ bil.)	*508.9	*520.0	*573.1	531.9	566.1	569.6	565.0	566.3	568.4p	—
Sales of all retail stores (\$ bil.) ^{1,10}	89.3	97.9	108.1	105.7	108.4	109.0	110.3	110.5	110.7p	112.4
Durable goods stores (\$ bil.)	28.1	33.0	38.7	37.9	38.3	39.3	39.9	40.3	40.5p	41.1
Nondurable goods stores (\$ bil.)	61.3	64.8	69.4	67.8	70.1	69.7	70.3	70.2	70.3p	71.2
Food stores (\$ bil.)	20.8	21.6	22.9	22.0	22.8	22.8	22.8	22.6	23.1p	23.2
Eating and drinking places (\$ bil.)	8.6	9.6	10.4	10.1	10.5	10.3	10.5	10.5	10.5p	10.8
Apparel and accessory stores (\$ bil.)	4.3	4.5	4.9	5.3	5.6	5.6	5.7	5.8	5.4p	5.5

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Book value, end of period. ¹⁰ Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary, r = revised.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1984					1985	
	1982	1983	1984	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.38	4.30	4.17	4.10	4.28	4.20	4.16	4.08	4.06	4.03
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.80	3.49	3.50	3.50	3.43	3.12	3.04	2.98	3.08	3.06
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.81	3.34	3.00	3.22	2.72	2.62	2.69	2.76	2.93	2.88
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.36	7.31	7.38	7.64	6.47	6.41	6.49	6.25	6.30	6.20
Soybean oil, Decatur (cts./lb.)	18.33	23.51	30.75	27.23	27.54	30.23	31.92	28.55	27.58	29.42
Soybean meal, Decatur (\$/ton)	179.70	200.91	166.80	185.56	144.55	141.02	136.27	136.18	136.13	126.45
Cotton, 10 market avg. spot (cts./lb.)	60.10	68.68	68.37	71.39	61.16	61.15	60.43	60.45	59.96	58.65
Tobacco, avg. price of auction (cts./lb.)	172.20	173.96	173.99	167.56	188.03	184.58	188.03	185.04	181.01	177.10
Rice, f.o.b. mill, Houston (\$/cwt.)	18.89	19.39	19.47	20.25	18.69	18.75	18.75	18.75	18.75	18.75
Inedible tallow, Chicago (cts./lb.)	12.85	13.41	17.47	16.00	16.94	17.77	19.00	17.50	17.50	17.50
Import commodities										
Coffee, N.Y. spot (\$/lb.)	1.41	1.33	1.46	1.51	1.46	1.40	1.38	1.38	1.40	1.45
Sugar, N.Y. spot (cts./lb.)	19.86	22.04	21.74	21.90	21.70	21.55	21.39	21.10	20.72	20.38
Rubber, N.Y. spot (cts./lb.)	45.48	56.19	49.70	58.19	46.30	43.58	42.67	42.24	42.04	42.11
Cocoa beans, N.Y. (\$/lb.)75	.92	1.06	1.11	1.04	1.00	1.01	.96	.98	1.00
Bananas, (\$/40-lb. box)	6.80	7.93	6.70	7.56	6.88	5.60	4.88	5.43	6.83	8.03

p = preliminary, n.a. = not available.

U.S. agricultural exports

	October-February				February			
	1983/84	1984/85	1983/84	1984/85	1984	1985	1984	1985
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	291	455	117,673	110,991	42	176	9,075	20,191
Meats and preps., excl. poultry (mt)	179	176	382,622	376,427	32	35	72,872	68,075
Dairy products (mt)	165	141	160,181	136,416	19	30	17,043	27,302
Poultry meats (mt)	92	100	116,644	115,901	16	15	20,778	16,047
Fats, oils, and greases (mt)	589	517	269,824	275,195	87	89	43,144	47,407
Hides and skins incl. furskins	—	—	508,270	585,423	—	—	136,998	125,424
Cattle hides, whole (no.)	9,469	10,542	369,544	436,097	2,085	2,074	86,003	83,308
Mink pelts (no.)	1,120	882	29,558	25,006	489	351	14,029	10,414
Grains and feeds (mt)	45,762	48,786	7,370,737	6,906,106	8,610	8,371	1,361,396	1,188,453
Wheat (mt)	15,676	15,198	2,538,176	2,316,386	3,024	2,327	481,620	355,631
Wheat flour (mt)	356	255	62,772	52,816	66	128	12,344	28,834
Rice (mt)	822	752	339,460	273,823	104	135	46,590	53,396
Feed grains, excl. products (mt)	25,639	29,515	3,772,256	3,686,632	4,771	5,222	701,039	648,672
Feeds and fodders (mt)	2,920	2,667	519,256	426,711	563	475	95,257	72,810
Other grain products (mt)	349	399	138,817	149,738	82	84	24,546	29,110
Fruits, nuts, and preparations (mt)	3,131	2,584	577,141	828,095	674	485	127,874	140,583
Vegetables and preparations (mt)	660	654	438,812	423,928	109	102	74,767	72,488
Tobacco, unmanufactured (mt)	131	149	830,229	903,917	19	22	131,026	141,893
Cotton, excl. linters (mt)	636	699	970,203	1,093,218	167	180	259,300	271,474
Seeds (mt)	110	148	170,884	189,784	21	30	35,351	45,580
Sugar, cane or beet (mt)	130	137	33,308	28,915	31	35	7,966	6,166
Oilseeds and products (mt)	14,116	13,866	4,388,875	3,629,899	3,050	2,814	970,132	728,059
Oilseeds (mt)	10,565	10,998	3,214,241	2,689,107	2,324	2,255	692,178	538,644
Soybeans (mt)	10,106	10,203	3,017,045	2,422,777	2,168	2,194	628,052	515,628
Protein meal (mt)	2,963	2,181	734,389	422,651	538	399	130,294	73,600
Vegetable oils (mt)	588	687	440,245	518,141	189	161	147,659	115,815
Essential oils (mt)	4	5	45,045	41,501	1	1	7,839	9,826
Other	—	—	697,759	440,296	—	—	100,895	81,179
Total	—	—	17,078,207	16,086,014	—	—	3,376,456	2,990,147

Indexes of nominal and real trade-weighted dollar exchange rates

	1984										1985	
	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
	April 1971=100											
Total agriculture												
Nominal ¹	580.4	618.9	661.8	710.1	770.3	823.2	899.3	938.9	1,067.0	1,152.2	1,281.5	1,404.0
Real ²	94.4	95.6	97.8	98.0	100.2	100.6	*102.9	*103.6	*102.7	*104.4	*105.6	108.4
Soybeans												
Nominal	152.9	155.0	162.1	162.4	166.8	168.0	172.6	175.6	175.2	180.6	185.1	191.9
Real	89.3	90.4	93.2	93.4	96.5	97.4	*100.7	*101.6	*99.6	*102.2	*103.9	107.3
Wheat												
Nominal	2,588.1	2,802.5	3,017.9	3,304.7	3,645.3	3,957.5	4,394.5	4,612.4	5,378.4	5,864.8	6,598.2	7,285.2
Real	101.1	102.3	103.5	104.1	104.4	104.5	*105.5	*105.4	*106.6	*107.2	*108.0	109.1
Corn												
Nominal	563.2	598.6	640.6	684.1	740.4	789.2	860.0	897.8	1,013.2	1,092.5	1,211.9	1,326.1
Real	92.7	93.6	96.5	96.5	99.4	100.3	*103.2	*104.1	*102.6	*104.8	*106.5	109.6
Cotton												
Nominal	180.4	184.0	185.8	187.2	190.3	191.1	195.5	197.0	197.6	207.0	209.3	211.5
Real	91.6	92.1	93.3	94.2	95.6	96.1	*97.0	*97.8	*98.0	*99.2	*100.0	101.3

¹ Nominal values are percentage changes in currency units per dollar, weighted by proportion of agricultural exports from the United States. An increase indicates that the dollar has appreciated. ² Real values are computed in the same way as the nominal series, adjusted for CPI changes in the countries involved.

*Preliminary; assumes the same rate of CPI increase/decrease as the previous six months.

U.S. agricultural imports

	October-February				February			
	1983/84	1984/85	1983/84	1984/85	1984	1985	1984	1985
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	729	969	280,055	274,306	206	186	68,142	44,955
Meats and preps., excl. poultry (mt)	336	423	734,435	862,741	76	81	157,487	164,237
Beef and veal (mt)	216	250	463,579	492,953	50	44	103,587	89,599
Pork (mt)	110	160	245,214	341,246	24	34	49,147	69,481
Dairy products (mt)	143	211	325,401	350,037	24	49	51,035	67,754
Poultry products	—	—	48,337	35,912	—	—	12,534	8,343
Fats, oils, and greases (mt)	6	8	4,142	7,439	1	1	551	1,368
Hides and skins, incl. furskins	—	—	85,765	98,374	—	—	41,545	29,980
Wool, unmanufactured (mt)	27	19	88,906	67,216	6	3	18,871	11,718
Grains and feeds (mt)	657	871	218,346	250,918	156	164	44,297	42,836
Fruits, nuts, and preparations	—	—	804,501	1,121,438	—	—	167,205	270,679
Bananas and Plantains (mt)	1,141	1,124	278,439	279,919	207	200	53,890	48,937
Vegetables and preps (mt)	906	863	525,457	533,160	269	237	160,887	149,377
Tobacco, unmanufactured (mt)	81	80	240,540	230,777	21	20	65,654	54,400
Cotton, unmanufactured (mt)	15	15	6,355	7,636	3	4	1,449	2,408
Seeds (mt)	36	31	41,956	37,930	14	8	15,117	8,305
Nursery stock and cut flowers	—	—	115,371	128,477	—	—	27,822	27,872
Sugar, cane or beet (mt)	1,393	1,078	552,131	439,040	325	183	123,931	72,169
Oilseeds and prods (mt)	584	492	352,733	347,411	85	102	55,164	64,442
Oilseeds (mt)	116	93	47,114	40,877	16	24	7,198	10,131
Protein meal (mt)	60	63	11,209	7,170	11	13	2,176	1,294
Vegetable oils (mt)	408	335	294,410	299,364	57	65	45,791	53,017
Beverages excl. fruit juices (hl)	5,353	5,807	621,056	638,495	885	930	92,227	91,085
Coffee, tea, cocoa, spices (mt)	689	791	1,779,595	2,097,419	139	189	360,113	487,382
Coffee, incl. products (mt)	450	451	1,275,792	1,312,398	81	104	239,023	300,120
Cocoa beans and products (mt)	156	248	341,182	579,560	39	68	81,683	149,003
Rubber and allied gums (mt)	346	337	361,784	306,361	59	73	61,449	63,224
Other	—	—	327,638	346,485	—	—	61,465	67,248
Total	—	—	7,514,504	8,181,572	—	—	1,586,945	1,729,784

Trade balance

	October-February		February	
	1983/84	1984/85	1984	1985
	\$ Mil.			
Exports				
Agricultural	17,078	16,086	3,376	2,990
Nonagricultural	66,521	73,025	13,213	13,658
Total ¹	83,599	89,111	16,589	16,648
Imports				
Agricultural	7,515	8,182	1,587	1,730
Nonagricultural	113,306	124,685	23,282	24,000
Total ²	120,821	132,867	24,869	25,730
Trade balance				
Agricultural	9,563	7,904	1,789	1,260
Nonagricultural	-46,785	-51,660	-10,069	-10,342
Total	-37,222	-43,756	-8,280	-9,082

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Imports for consumption (customs value).

U.S. agricultural exports by regions

Region and country	October-February		February		Change from year earlier	
	1983/84	1984/85 ¹	1984	1985 ¹	October-February	February
	\$ Mil.				Percent	
Western Europe	4,991	3,945	983	769	-21	-22
European Community	3,569	2,930	726	577	-18	-21
Belgium-Luxembourg	460	287	84	46	-38	-45
France	291	216	47	40	-26	-15
Germany, Fed. Rep.	793	501	142	129	-37	-9
Italy	388	390	120	64	1	-30
Netherlands	1,100	1,059	231	204	-4	-12
United Kingdom	393	319	74	37	-19	-50
Other Western Europe	1,422	1,015	257	192	-29	-25
Portugal	353	258	90	42	-27	-53
Spain	715	488	106	105	-32	-1
Switzerland	178	128	37	24	-28	-35
Eastern Europe	332	322	69	54	-3	-22
German Dem. Rep.	77	71	17	12	-8	-29
Poland	93	67	22	13	-28	-41
USSR	992	1,641	142	288	65	103
Asia	6,650	5,934	1,261	962	-11	-24
West Asia (Mideast)	696	767	159	92	10	-42
Turkey	34	107	15	5	215	-67
Iraq	99	215	47	32	117	-32
Israel	172	133	28	19	-23	-32
Saudi Arabia	217	178	40	23	-18	-43
South Asia	423	306	125	59	-28	-53
India	280	70	53	6	-75	-89
Pakistan	77	61	45	20	-21	-56
East and Southeast Asia	5,530	4,861	977	811	-12	-17
China	314	156	56	4	-50	-93
Taiwan	603	717	86	145	19	69
Japan	3,133	2,836	543	420	-9	-23
Korea, Rep.	790	600	136	138	-24	1
Hong Kong	178	177	33	28	-1	-15
Indonesia	191	95	51	15	-50	-71
Philippines	90	103	20	17	14	-15
Africa	998	1,162	255	279	16	9
North Africa	466	626	137	160	34	17
Morocco	80	85	42	11	6	-74
Algeria	79	110	29	15	39	-48
Egypt	262	385	53	127	47	140
Other Africa	533	536	118	119	1	1
Nigeria	152	187	39	40	23	3
Rep. S. Africa	243	139	48	16	-43	-67
Latin America and Caribbean	2,271	2,230	490	486	-2	-1
Brazil	231	349	42	55	51	31
Caribbean Islands	342	318	66	63	-7	-5
Colombia	94	94	11	12	0	9
Mexico	810	877	225	254	8	13
Peru	120	65	8	6	-46	-25
Venezuela	349	298	90	59	-14	-34
Canada	745	735	161	134	-1	-17
Oceania	100	116	15	18	16	20
Totals²	17,078	16,086	3,376	2,990	-6	-11

¹ Preliminary. ² Totals may not add due to rounding.

World Agricultural Production

World supply and utilization of major crops

	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85 F
	Mil. units						
Wheat							
Area (hectare)	228.9	227.6	236.5	239.3	238.5	229.9	231.3
Production (metric ton)	446.8	422.8	442.7	448.5	479.1	490.1	513.8
Exports (metric ton) ¹	72.0	86.0	94.1	101.3	98.6	103.0	105.4
Consumption (metric ton) ²	430.2	443.5	445.6	441.6	467.6	488.3	501.7
Ending stocks (metric ton) ³	100.9	80.4	78.2	85.1	96.6	98.5	110.5
Coarse grains							
Area (hectare)	342.8	341.1	336.6	343.9	332.4	328.5	334.3
Production (metric ton)	753.6	741.5	732.0	768.7	777.5	682.7	800.9
Exports (metric ton) ¹	90.2	98.8	108.0	96.5	90.2	91.4	101.2
Consumption (metric ton) ²	748.1	740.3	742.1	739.0	751.4	756.0	779.4
Ending stocks (metric ton) ³	91.2	91.6	82.8	112.4	138.5	65.2	86.8
Rice, milled							
Area (hectare)	144.1	143.1	144.3	145.1	141.1	144.6	144.3
Production (metric ton)	260.7	253.9	271.0	280.6	285.5	307.1	317.4
Exports (metric ton) ⁴	11.6	12.7	13.1	11.6	11.9	12.5	11.7
Consumption (metric ton) ²	255.8	257.8	272.3	281.4	289.5	307.4	314.7
Ending stocks (metric ton) ³	27.7	23.4	22.1	21.2	17.3	16.9	19.7
Total grains							
Area (hectare)	715.8	711.8	717.4	728.3	712.0	703.0	709.9
Production (metric ton)	1,461.1	1,418.2	1,445.7	1,497.8	1,542.1	1,479.9	1,632.1
Exports (metric ton) ¹	173.8	197.5	215.2	209.4	200.7	206.9	218.3
Consumption (metric ton) ²	1,434.1	1,441.9	1,460.0	1,462.0	1,508.5	1,551.7	1,595.9
Ending stocks (metric ton) ³	219.8	195.4	183.1	218.7	252.4	180.6	217.0
Oilseeds							
Production (metric ton)	150.5	170.1	155.5	170.0	178.2	166.2	187.0
Trade (metric ton)	30.7	35.9	32.1	35.8	34.9	32.8	33.1
Meals							
Production (metric ton)	84.5	92.9	90.6	96.3	99.7	94.6	101.8
Trade (metric ton)	22.8	26.5	25.9	28.9	31.4	29.5	29.8
Oils							
Production (metric ton)	36.9	39.7	40.0	42.6	44.1	43.6	47.1
Trade (metric ton)	10.9	12.8	12.5	13.3	14.1	14.0	15.0
Cotton							
Area (hectare)	32.4	32.2	32.4	33.2	31.9	31.5	34.0
Production (bale)	59.6	65.2	64.8	70.8	67.5	67.8	84.2
Exports (bale)	19.7	23.1	19.7	20.2	19.4	19.4	20.9
Consumption (bale)	62.0	65.3	65.9	65.5	68.0	68.7	69.9
Ending stocks (bale)	24.1	24.0	24.1	25.4	24.9	24.6	38.4

F = Forecast. ¹ Excludes intra-EC trade. ² Where stocks data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴ Calendar year data. 1979 data correspond with 1978/79, etc.

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